PARIS, WEDNESDAY, JUNE 3, 1981

Established 1887

Saudis Are Cast as Chief Mediators

Riyadh Role Heightened as Syria Balks at U.S. Plan for Lebanon

By Bernard Gwertzman --

New York Times Service
WASHINGTON — Reagan administration
officials said that Syria has refused to accept
any plan that seems to have originated in Israel or the United States, and Saudi Arabia has been left to take the lead in trying to resolve the current Middle East crisis. The officials said Monday that the Saudis

deeply concerned about a new Arab-Israeli conflict, agreed to become more active diplo-matically after President Reagan's special envoy, Philip C. Habib, reported to them that Syria was inresponsive to his ideas because President Hafez al-Assad believed Washington was too closely allied with Israel.

Mr. Habib came here for consultations last week and is expected to return to the Mideast later this week. Officials said that his primary effort would be to maintain Israeli Prime Minister Menachem Begin's commitment not to at-tack the Syrian anti-aircraft missiles in Leba-non as long as there is diplomatic activity. In addition, Mr. Habib will urge restraint among on all parties and coordinate his work with the

The Saudis have begun trying to persuade the Syrians, the Lebanese government and the different factions in Lebanon to work out a formula that would ease the tensions within Lebanon and provide the Syrians with an excuse to remove their troops and missiles from the vicinity of the Christian city of Zahle.

Washington Post Service AMMAN, Jordan —

Hussein Tuesday refused to offer

Hussein Thesday refused to offer either military or political help to neighboring Syria if it is attacked by Israel, which he blamed for escalating an already "disturbed, dangerous situation in the area" through its "intolerable" and "provocative" policies, on the West Park and in Lebanon.

full on the longest confrontation line with Israel," King Hussein said in answer to a direct question

as to whether his country would

help Syria in the event of an Israeli

He thus became the only major.

Arab leader to refuse to offer aid to Syria, which has broken out of

"Jordan already has its hands assid."

its isolation within the Arab world: to a specific time, "leave Lebanon as a result of its current confronts." as an independent state and a uniquion with Israel over its stationing of people, as a country in peace."

Bank and in Lebanon.

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Mr. Habib has also been seeking to arrange the removal of the missiles, but it is now ac-knowledged within the administration that the chances for their withdrawal depend largely on

the Saudi efforts.

Saudi efforts.

Saudi efforts.

Lebanese mainly involves its willingness to resime multimillion-dollar payments to Syria, to finance the rebuilding of the Lebanese armed forces and to contribute to reconstruction ef-forts in Lebanon, U.S. officials said.

In addition to the Saudis, administration officials said that Yasser Arafat, chairman of the Palestine Liberation Organization, has also been helpful behind the scenes in urging re-

Although the United States continues to avoid any direct contacts with the PLO as part of a six-year-old pledge to Israel, the State De-partment said Monday that it had asked Unit-ed Nations Secretary-General Kurt Waldheim to urge all parties in the Middle East to act with restraint. Mr. Waldheim included the PLO in his efforts, officials said.

U.S. officials have distinguished between Mr. Arafat's efforts, which included going to Damascus to confer with Mr. Assad, and the stance of those Palestinian organizations who have not been so belpful.

Mr. Habib gave briefings to some Senate and House leaders Monday, while resolutions were introduced in both houses calling for a cease-fire in Lebanon and the removal of all

ountry in peace." sive settlement.

the Basman Palace in Amman.

It was the first major statement

by the Jordanian monarch since

the current missile crisis exploded a little more than a month ago and

came four days after be returned from his first trip to the Soviet Un-

The king spoke with feeling as he sounded an essentially pessimistic note. "An explosion could erupt in the area oo a large scale

and could cause all of us within

the area and maybe within the

world tremendous change; we are

at a dangerous point," he said.
While not attacking the Camp

David accords by name, he called for an international conference,

perhaps under United Nations auspices, to engineer a comprehen-

ioo since 1977.

non's Bekaa Valley.
The 45-year-old monarch

tempered his refusal to help Syria with a vague reference to Jordan's

support of the resolutions of last

month's Arab foreign ministers' meeting in Tunisia, which pledged support to the Damascus govern-

"In the face of any Israeli threat,

we are obviously all united," he

Thesing then criticized Syria's

five-year role as a peacekeeper in

Lebanon and suggested that it be

replaced by a more representative Arab force that would try to recon-

cile the splintered political and religious factions there and then, af-

ment if it is attacked by Israel.

Syrian and Libyan missiles and forces from banon soil

The resolutions were introduced by Demo-cratic Sens. Edward M. Kennedy of Massachusetts and Henry M. Jackson of Washington, and by Reps. Benjamin S. Rosenthal, Democrat of New York, and Edward J. Derwinski, an Illinois Repoblican. The measures were privately criticized by State Department officials who felt the congressional actions put too much open pressure on Syria.

Administration officials said that when it became clear to Mr. Habib that the Syrians were unlikely to view favorably any ideas be brought to them, he suggested returning to Washington for consultations.

U.S. Efforts Assailed

DAMASCUS (NYT) — Syrian Foreign Minister Abdel Halim Khaddam Monday de-nounced the United States' current Middle East diplomacy as warped in favor of Israel and contended that Saudi Arabia was oot a mediator between Syria and "the Zionist foe."

Tishrin, a government-controlled oewspaper that is particularly close to the thinking of Mr. Assad, gave striking prominence to its report of the foreign minister's criticism of Mr. Ha-bib's shuttle diplomacy and his assertion that "our missiles entered Lebanon to remain, oot



Bengali soldiers bring their own wreath to place on the coffin of President Zia, who was slain in a coup attempt on Saturday.

Throngs Join To Mourn Zia; 3 in Plot Die

By William Branigin

DACCA — Hundreds of thou-sands of Bangladeshis streamed through the streets of this crowded, dirt-poor capital Tuesday in a funeral procession for the slain President Ziaur Rahman. The government announced the deaths of three leaders of the abortive rebellion that took his life.

The burial of the assassinated president capped an outpouring of grief for a leader widely regarded here as a vital driving force behind efforts to develop a country that is considered one of the most impov-

erished in the world.

President Zia's death leaves a leadership vacuum that could eventually lead to a struggle for power and reduce the degree of political stability that be bad estab-lished. Bangladeshi and Western

Combined with a leveling off of international development aid this year, the sources said, President Zia's death also casts a gloomy pall over prospects for cootinuing the country's painfully slow but steady economic progress of recent

In addition, the loss of the au-

thoritarian but generally popular president has laid bare some old, mresolved rivalries that bave been festering within the armed forces since the country's war of inde-pendence from Pakistan in 1971. Hours after Tuesday's funeral procession and burial, the govern-meot reported the arrests of 17

> iovolved in the two-day takeover of the southern port city of Chitta-A communique also announced measures to punish those responsible for the presideot's death and disclosed that authorities are seeking an unspecified number of ac-

army officers who were allegedly

complices.

The statement said an ioquiry court and a field geoeral courtmartial have been set up to identify and try "the culprits responsible for the brutal killing of President iaur Rahman,"

The government announcement added some conflicting detail to an official Radio Bangladesh broadcast Tuesday morning that reported the death of the rebel commander, Maj. Geo. Manzur Ahmed. The initial report said that angry soldiers killed Gen. Manzur as be was being brought back to Chittagong following his capture oear a village corth of the city.

The later announcement said two of Gen. Manzur's "accomplices," both lieutenant colonels, also died io the incident. It said that "some agitated armed people tried to soatch them" as they were being taken under guard to the Chittagong cantonment, or garri-

'Exchange of Fire'

The announcement said "an ex-change of fire" ensued between the attackers and the guards, during which Gen, Manzur was shot and wounded. He died on the way to the bospital, and his two aides were killed on the spot, the commanague s. J.

According to a well-informed Bangladeshi source, however, Gen. Manzur was shot inside the Chittagong cantonment by fellow sol-diers about 9:00 p.m. Monday, two hours after he was captured along with his wife and three children and the two army officers in a thatched but 17 miles north of the port city. The source said Gen. Manzur had been on the point of opening fire on police when one of them seized his daughter as a bos-

Official government spokesmen were oot immediately able to confirm or deny another report that the wife, daughter and two young sons were subsequently killed along with Gen. Manzur and the

(Continued on Page 2, Col. 7)

Jordan Bars Aid to Syria in War Polls Show King Hussein made his remarks Begin's Big in a 30-minute interview with four Western reporters in his office in

Likud's Dominance Stans Peres, Labor

l'urnaround

By William Claibome

Washington Post Service
JERUSALEM — In an extraordinary comeback from virtual political ruin six mooths ago, Prime Minister Menachem Begin's Likud Party has pulled ahead of the op-position Labor Party with less than a month left in the campaign for the national election, according to the most reliable public opinion

Mr. Begin's party will win 45 seats and the Labor alignment will win 43 seats in the 120-member in the Jinse 30 balloting, according to a national poll conducted in the last week of May by the Applied Research Center. The poll was commissioned by the Jerusalem Post, which published the results In a separate poll conducted by

the Dahar opinion research organization, in which voters were asked who would be the most suitable prime minister, 38 percent favored Mr. Begin against 28 percent for Labor Party leader Shimon Peres. In January, when Mr. Begin's fractious Cabinet averted collapse in a parliamentary no-confidence vote by calling for an early election, the same polling organiza-tions projected a lopsided 58- to 20-seat victory for Labor. Other polls forecast 65 seats for Labor and only 12 for Likud. Mr. Peres

cent for Mr. Begin. Peres Camp in Disarray

was favored 44 percent to 12 per-

Even if Mr. Begin fails to maintain his momentum and wins only the 45 seats that the polls have pro dicted, he appears for the first time since the campaign began to be in a fairly strong position to put together some sort of coalition for the 61 Knesset seats occessary to form a government, albeit a weak one. In 1977, the Likud woo only 43 seats, but by enlisting the religious parties and the oow-defunct Democratic Movement for Change, it formed the present coa-lition government, which has lasted four years — longer than any government in Israel's 33-year his-

Mr. Begin's stunning turnabout has resulted in oear panic in the Tel Aviv election beadquarters of the Labor Party, where there is a sense of helplessness due to Mr. Peres' inability to seize the cam-paign initiative. A senior adviser to Mr. Peres, who asked oot to be identified, said: "If things contin-ue the way they have. I have oo doubt the Likud will win it. We are in an almost impossible situation."

The simanon is due, in large part, to two factors: Mr. Begin's success in exploiting the crisis over the deployment of Syrian missiles in Lebanon, thereby overshadowing domestic issues on which be is vulnerable; and his resurgence among the once-disaffected "oriental" voters whose origins are in Jewish communities in the Middle

East, particularly North Africa. Paralleling those factors are two distinct phenomena which bave vastly belped Mr. Begin's campaign and undercut that of Mr. Peres: Mr. Begin has put his once-contentious and seemingly self-destructive Cabinet under wraps, thereby neutralizing the government's image of inepiness; and interrecine fighting within the Labor Party, stemming from the yearsold rivalry between Mr. Peres and former Prime Minister Yitzhak Rabin, continues to erode support for the opposition.

The Syrian missile crisis has been particularly debilitating for the Labor Party. "It's simple. We can either run for Begin or run for

(Continued on Page 2, Col. 5)

Sandinistas Try to Pacify Critics

By Alan Riding New York Times Service

MANAGUA - Faced by an acute economic crisis and a country increasingly divided along ide-ological lines, Nicaragua's Sandinista rulers bave launched a twoprooged offeosive aimed at appeasing their domestic critics and winning new friends abroad. Although still clearly distrustful of each other, the government and

its conservative opposition bave agreed to hold talks to look for ways of restoring something of the spirit of national unity that accompanied the ouster of the Somoza regime 22 months ago. Nicaragua has also moved to patch up relations with its immedi-

ate neighbors, Honduras and Cos-ta Rica, and, in recent weeks, has sent delegations to Latin America, Western Europe, the Soviet bloc and the Arab world in search of economic assistance and political support.
The catalyst for this oew strate-

gy was the Reagan administra-tioo'a decisioo in March to suspend aid to Nicaragua, a move interpreted bere as the beginning of a campaign by Washington to

isolate this country economically and politically. The action was in reprisal for alleged Sandinista arms shipments to Salvadoran

An honor guard of soldiers carrying the coffin of President Zia through the streets of Dacca.

Fears of Hostilities

The Sandinistas have also been alarmed by monoting evidence that exiled followers of the late Gen. Anastasio Somoza Debayle are receiving encouragement from sectors of the Honduran Army for their plan to invade Nicaragua from camps inside Honduran terri-

Fears of imminent hostilities between Nicaragua and Honduras eased, however, after a meeting May 13 between the coordinator of the Nicaraguan junta. Daniel Ortega, and the Honduran president, Gen. Policarpo Paz Garcia, at which they agreed to resolve their differences peacefully.

But the Sandinistas remain worried about the impact of regional unrest on their own revolutionary process and have called for a negotiated settlement of El Salvador's conflict. They were also quick to endorse a proposal by President Rodrigo Carazo Odio of Costa Rica that the leaders of all five

Central American countries and Panama meet in August in Mexico City to analyze the problems of the region with the presidents of Mexico and Venezuela.

Much of the focus of Nicaragua's new foreign policy, though, has been on demonstrating that the alternative to economic aid from Washington is oot necessarily a dependence on the Soviet bloc. Nicaragua recently reopened its embassies in Brazil and Argentina for the first time since the revolution, and last month it obtained a much-needed \$100-million loan from Libya, one of several Arab oil oations that it is courting.
While the success of its diplo-

matic offensive has assuaged Ni-caragua's fears of isolation by the Reagan administration, it has done little to reduce tension between the Sandinistas and critics in the private sector, conservative political parties, the Cathobe hierarchy and

the independent press.

Although the Sandinistas remain formally committed to maintaining a mixed economy and political pluralism, many of their opponents seem convinced that they are moving irrevocably toward in-stalling a Marxist-Leninist dicta-

U.S. Gets Reports on Tanks

WASHINGTON (AP) -State Department official said Tuesday that the Reagan administration has seen reports that the Soviet Union may have secretly shipped T-55 beavy tanks to Nicaragua, although there is some doubt as to whether the reports are true.

The Washington Post reported that the Russians sent the tanks as part of a long-rumored plan to equip Nicaraguan armed forces. The story said that according to reliable intelligence reports large pieces of equipment covered with tarpaulins have been unloaded at night in Nicaragua from Cuban transports.

The newspaper quoted Daniel Ortega, head of Nicaragua's revolouonary junta, as saying that reports of tank deliveries and a prospective shipment of jets were uo-

in the relationship.

Hard-Liners Assailed by **Polish Party**

WARSAW — Poland's Communist leaders Tuesday formally condemned the position of a hard-line party group whose views have met with appareot Soviet approval.

A broadcast oo oational televi-sion said the Pobtburo bad determined that the declaration of the so-called Katowice Forum, whose position was reported in the Soviet press oo Tuesday, was harmful and unacceptable. The Politburo condemnation

was the first high-level statement oo the forum and pointed to a wid-ening rif1 between Polisb Communists and the Kremlin.

"The declaration as a whole, although some of its evaluations can be justified, met a critical artitude of the Politburo," the state televisioo said in its main evening oews. "A number of simplifications and generalizations cootained in

the declaration are unacceptable, the television report added. 'Threats and Dangers'

"The Politburo, drawing atten tioo to other threats and dangers...considered that in the present political situation the Katowice declaration is harmful," the report said.

The Katowice Forum directly criticized the present party leadership, implying that it was not in cootrol of the situation and that it was in the hands of revisionists.

Dozens of Polish party organizations have joined with the inde-pendent trade union Solidarity in rallying behind the party leader. Stanislaw Kania, and Prime Minister Wojciech Januzelski in coodemning the Katowice initiative.

Western diplomats in Warsaw said they were convioced the new development was directly connected with the Polish party coogress, which is widely expected to at its meetiog in July to approve the democratic reforms in Poland that

(Continued on Page 2, Col. 4)

OECD Sees 6-Month Delay in Upturn Of Economies of Industrialized Nations

FIRST VISIT — Claude Cheysson, right, the foreign minister for Francois Minterrand's new Socialist government in France, met with West German Chancellor Helmut Schmidt, center, and Foreign Minister Hans-Dietrich Genscher Tuesday in Bonn. Details, Page 2.

By Axel Krause

International Herald Tribune
PARIS — Recessionary conditions and growing unemployment among industrialized countries are expected to continue well beyond this summer, according to unpubiished working documents pre-pared by the secretariat of the Or-ganization for Economic Cooperation and Development. The revised OECD forecasts

conclude that the anticipated recovery among industrialized countries will be postponed by six months, accompanied by some falling in inflation rates in many countries, according to sources who have read the documents.

The documents and their prog-noses provided the basis of closeddoor discussions of the OECD's economic policy committee. The body, which ended a two-day meeting in Paris on Tuesday, comprises key economic policymakers from the 24 nations of the OECD. Murray L. Weidenbaum, chairman of President Reagan's Council of Economic Advisers, was elected committee chairman on Monday.

The committee's conclusions will be incorporated into reports that will provide the basis of strategy discussions at OECD's annual ministerial meeting June 16 and 17 in Paris.

lo its most recent economic outlook, last December, OECD predicted a weak recovery among members - mainly the United States, Western Europe and Japan

beginning in the first ball of 1981 to reach an annual rate of GNP growth of around 3 percent in the first half of 1982.

However, since the report was published, the combined OECD economies have weakened by 0.5 percent. The result is that predic-tions of GNP growth rates have been scaled down to 1.6 percent in the first half of 1981, 1.5 percent in the second half of 1981 and 2.2 percent during 1982. These rates compare with a 1.3 percent growth of GNP during 1980, according to the OECD.

in other key revisions, the OECD estimates that total unemployment in the area will rise to 26 million during the second half of 1982. That figure represents

U.S. Will Sell Arms To Jordan and Oman

WASHINGTON — The Defense Department has notified Congress that it plans to conclude an \$87million arms deal with Jordan and sell the Gulf state of Oman a C-130 Hercules military transport

The sale of the \$17-million plane to Oman is the first of the year. The deal with Jordan is for 30 tracked tank-recovery vehicles and eight radar systems for locating mortars and heavy artillery, the Pentagon said Monday.

500,000 more jobless than the agency predicted last December and compares with 23 million unemployed at the end of last year, according to the OECD.

The new projected jobless level equals roughly 7.5 percent of the area's labor force, but it could be as high as 9 percent in the Europe-an OECD countries, including members of the European Economic Community.

Indeed, the documents reflect a decidedly gloomier outlook for Europe overall compared to other areas, notably the United States. The OECD predicts only a 0.6 percent growth rate for Europe in the first half of 1981.

Meantime, largely because of depreciation of European curren-cies against the dollar and the yen, European inflation rates also will increase faster than bad been anticipated earlier, the OECD said. But inflation within the OECD

area as a whole will gradually decline - from 11.3 percent last year to 10.1 percent in 1981 and 8.9 percent in 1982, according to the documents. Analysts said that the figures reflected anticipated reduction of inflation in the United The OECD also reiterated its

view that the combined deficits in

the current balance of payments among member countries will gradually decrease, mainly because of expanded exports within the area and to third countries.

and the concern that Taiwan not be at Pentagon ornicers, reversing mer judg- triendship treaty with Moscow.

INSIDE

Splits Hamper Apartheid Fight Personal and ideological differences among black groups fighting apartheid in South Africa appear to have deepened over the last

live years, undercutting the black protest movement's effective-Dollar Surges in Europe

The U.S. dollar, bolstered by signs that a drop in interest rates may be slower in coming, surged against European currencies.

PORTUGAL

Despite Problems, Democracy Holds

Portugal's democracy is doing remarkably well after seven years, despite a number of pressing problems. A special supplement on the Iberian nation appears on Pages 7S-14S.

French Aide, in Talks in Bonn, Hard-Liners Calls for Cut in Soviet Missiles

By John Vinocur

New York Times Service BONN — Foreign Minister Claude Cheysson, making his first visit outside France on behalf of President François Mitterrand's new Socialist government, met with West German leaders Tuesday and said that the Soviet Union must reduce its arsenal of middle-range nuclear missiles targeted on Western Europe.

Referring to the buildup of Soviet SS-20 missiles, Mr. Cheysson said, "It is necessary to reduce this

very distressing development."

Coming from a representative of the new leftist leadership in France, the statement seemed cerrance, the statement seemed cer-tain to please the Bonn govern-ment as well as Reagan adminis-tration officials in Washington, whom Mr. Cheysson is scheduled to visit on Thursday.

His tone Tuesday was consistent with statements made by Mr. Mitterrand on the dangers of the Soviet missile program and the correct-ness of NATO's decision to deploy Cruise and Pershing missiles in Western Europe as a countermeasure. In contrast to this, the government of former President Valer Giscard d'Estaing nften said it was not directly concerned by the situ-ation or the NATO plan.

Mr. Cheysson talked for more than an hour with West German Foreign Minister Hans-Dietrich Genscher and then met briefly with Chancellor Helmut Schmidt.

Mr. Cheysson also seemed intent on putting aside some of the exclusive aspects of the French-West German relationship that irritated many of their allies during Mr. Giscard d'Estaing's seven-year tenure. He said, for example, that the overall discussions be had with Mr. Genscher were "placed in the context of our relations with the

His visit to Bonn was a mark of the intimacy of the relationship between the two countries, Mr. Cheysson said, quickly adding that "this intimacy is not exclusive" since France had very close ties with other countries.

The talks showed, according to

Rather than referring to any full agreement," Mr. Cheysson said that French-West German "interests are very often common

"It's not a question of touching them as they've existed up until now," be said of the ties between the two countries. "hut each person and government brings its own style. Mr. Mitterrand and Mr. hmidt won't be able tn talk in English on the telephone because Mr. Mitterrand doesn't speak Eng-

Asked by a reporter if he had discussed the missile issue with Mr. Genscher. Mr. Cheysson replied that if be had not he would have been both "ignorant and irresponsible" — an apparent dig at the line of the previous French

The rapid installation of the Soviet missiles, he said, "modifies the general balance of power in the world. France has a direct interest

in this balance of power [and] Germany is directly concerned in the riposte for the SS-20s ... "

When he was asked if be were optimistic about the possibility of successful negotiations between the United States and the Soviet Union for a reduction in the number of missiles, Mr. Cheysson replied, "You'd better ask that questinn of the Kremlin."
According to NATO calcula-

Swedish Studies Show Rise in Alcohol Abuse The Associated Press

STOCKHOLM — The number of alcohol abusers has risen dramatically in Sweden in the past 20 years, a Swedish psychiatrist said Tuesday, quoting new studies that show that every fourth man and every fifth woman have, or have had, alcohol problems.

Dr. Borje Lassenius, chief psychiatrist at the Sundsvall Hospital in central Sweden, said that "the only way to change this trend is to introduce a ration card, or to mul-tiply liquor prices."

Mr. Genscher, "that on basic questions, we're in full agreement. It's an encouraging basis for continuing our common work."

Rather than the many statements and is continuing to install them Insofer at the many statements and is continuing to install them Insofer at the many statements and is continuing to install them Insofer at the many statements and is continuing to install them Insofer at the many statements and is continuing to install them Insofer at the many statements and is continuing to install them Insofer at the many statements and in the many statements are the many statements and in the many statements are the many statements. tinning to install them. Insofar as both Mr. Schmidt and Mr. Genscher are confronted with resistance from the left wings of their parties involving the station-ing of U.S. middle-range missiles, Mr. Cheysson's support was likely to be extremely welcome.

Pre-Election Talks Begin

PARIS (Reuters) --- French Socialist and Communist Party leaders began talks on a possible political and electoral pact Tuesday which could open the way to the appointment of Communist ministers under Mr. Mitterrand.

Heading the two delegations were Socialist Party First Secretary Lionel Jospin, who took over the post when Mr. Mitterrand became its presidential candidate last year, and Communist Party General Secretary Georges Marchais.

The primary purpose of the talks is to prepare the ground for the parliamentary elections to be held on June 14 and 21. The president hopes the elections will pro-duce a leftist majority favorable to his social reform program in the National Assembly.

But Socialist officials have indi-

cated they would insist that the Communists ahandon or at least modify their support of the Russians' intervention in Afghanistan and Moscow's deployment of the

SS-20 missiles.
The Socialists, buoyed by opinion polls giving them about 33 percent of the vote in the coming elec-tions, have also left no doubt they will want a firm commitment from Mr. Marchais and his colleagues of full support for all government

Meanwhile Tuesday, Bernard Stasi, the leader of a center-right group which supported Mr. Gis-card d'Estaing, suggested that it could swing to Mr. Mitterrand if he renounced alliance with the Communists. He told a news conference that he supported the changes promised by the new president but could not join any gov-ernment that sought Communist

4 Policemen Narrowly Escape Death In Huge Bomb Blast Near Londonderry

BELFAST — A powerful bomb was detonated as an armored po-lice vehicle passed on a London-derry road Tuesday, but all four officers inside escaped death because the explosion was mistimed.

A police spokesman said one

member of the patrol was wounded. But he was not hurt badly, al-though the blast destroyed the roof of a pub 300 feet away and knocked out windows in the Catholic Creggan Estate a quarter of a

mile off.
"If the bomb had gone off as the Land Rover and killed every-one in it," the spokesman said. "The slight error in timing by the bombers saved the lives of the four

The explosion occurred 80 miles (128 kilometers) from the Northern Ireland road where an IRA landmine killed five British soldiers on patrol two weeks ago.

Remote Control

The bomb was hidden behind a wall on the city outskirts and was detonated by remote control, Londonderry police said.

The attack occurred hours before a visit to Northern Ireland by Princess Alexandra, cousin nf Queen Elizabeth.

The princess had planned a surprise visit to the province but

her trip turned into a security problem when news of her plans was revealed by the Loyalist politi-cian, the Rev. Ian Paisley, Monday

Princess Alexandra flew to a air force base outside Belfast. She was taken by belicopter to Bangor and Banbridge, two predominantly Protestant towns considered safe by security men responsible for ber safety during her eight-hour stay.

The main purpose of the princess' visit, her second to the province in two years, was to attend the consecration Tuesday evening of St. Anne's Church of Ireland (Protestant) cathedral in Belfast. Armed police were stationed in

Walkout Interrupts Flights at Heathrow

The Associated Press

LONDON — Transatlantie flights into and from London's Heathrow Airport were disrupted Tuesday by a 19-hour walkout of British air traffic controllers.

Pan-American World Airways said that it had canceled flights to and from Los Angeles and a service to New York and warned that more flights might be scrapped. British Airways canceled three flights to New York and a Concorde flight to Washington.

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the cathedral all night. British troops patrolled the streets for blocks around beginning in the early morning bours. Extra troops of the local militia, the Ulster Defense Regiment, were drafted into the city center area and spent the day searching stores and bars. Troops were posted on rooftops.

Sniper Attack

In earlier violence, a suspected IRA sniper wounded a policeman directing traffic away from a gaso-line tanker believed to be boobytrapped in the second straight day of attacks on police.

Sunday, an IRA assassination team, shot and killed a policeman who was guarding a patient at the Royal Victoria Hospital. The IRA said in a statement claiming responsibility for the killing that as long as police guarded the hospital it would be considered a military target.

The IRA statement said the killing of the policeman, Corin Dunlop, 30, was a sign to Britisb Prime Minister Margaret Thatcher the outlawed organization was not beaten nor using a series of Maze Prison bunger strikes as its "last card" as she suggested last week. Ten Ulster policemen have been

killed this year, and 150 bave died since Britain initiated direct rule

Assailed by

A report of the forum's position was published Tuesday by the So-viet party daily Pravda, a clear in-dication that Moscow endorses its criticism of the Polish leadership. In its original declaration the Katowice Forum used language that had not been heard in Poland

for many months. It said bourgeois liberalism and anarchist and destructive trends had surfaced in the Polish party since last summer's peaceful labor revolt that produced a free trade union movement — embodied in Solidarity — and made Poland the most bberal state in the Eastern

"Every day brings an expansion of the liberal-bourgeoisie and Trotskyite-Zionist outlooks as well as a rise in nationalism, agrarian-ism, clericalism, class solidarity and anti-Soviet views and moods which are carefully cultivated by the right-wing," the forum said. It spoke of the threat of a revi-

sionist coup in the party — one of the worst allegations that can be made, in the view of the Soviet Solidarity suggested on Monday that the declaration could even

have been written at the behest of Moscow and said it amounted to an invitation to Soviet interven-

Hunger Strikers

Meanwhile, campaigners for the release of so-called political pris-oners in Poland said on Tuesday that 23 persons, including the wife of one of the detainees, were now on hunger strikes as part of the protest.

The organizer of the campaign. Teresa Baranowska, said the wife of Leszek Moczulski, leader of the anti-Communist "Confederation of Independent Poland," was one of four protesters who joined the hunger strike.

Four of the strikers have gone without food for 13 days. A Warsaw court on Tuesday freed one of the five confederation members whose release was de-manded by the hunger strikers. The strikers are demanding the release of a further six prisoners whom they consider are being held for poblical reasons.

Walesa in Geneva

GENEVA (NYT) - Lech Wale-sa, head of Poland's independent trade union Solidarity, said Tuesday that his organization's ability to "sit down at the table to discuss issues with the government even without strikes is no mean achieve-

Mr. Walesa also remarked that his presence in Geneva to represent Polish workers at the opening session Wednesday of the 145-na-tion International Labor Organiza-

While stressing that the Polish government has to listen to movements such as Solidarity if it wants to win support for its economic reforms, Mr. Walesa said that his organization was not trying to usurp the political role of the Communis Party. "We don't want any part of power sharing." he said.

Mr. Walesa said that there was no lack of leaders in Solidarity and that he was ready to step down "as soon as my colleagues and friends

U.S. House Unit Votes Cuts in Social Security

Unuted Press International
WASHINGTON — The House Ways and Means Committee Tuesday approved \$560 million in additional Social Security cuts for next year in an effort to stay within budget targets already approved

by Congress.

The panel agreed by voice vote to keep the retirement exemption age at 72, rather than lowering it to 70 on Jan. 1. The exemption allows a person 72 years or older to earn any amount of money and still receive Social Security.

After considerable debate, the

committee voted 11-6 to eliminate the \$255 lump sum death benefit if there are no surviving beneficiar-

The panel also agreed by voice vote tn delay initial checks by one

received the search of speak Spanish just as these dejoration personnel do-with the Foreign Service Institute's Programmatic Spanish Course. The U.S. Department of State has spent terms of thousands of dollars developing this course. It is by far the involutionaries way to learn Spanish at your own convenience and

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Habib and everyone else con-The Israeli pilots reported accucerned we are going to continue with this defense of our people." rate hits on the building, which was occupied, the army spokesman Israeli Opinion Polls Show Big Turnaround by Begin

student in Krakow, Poland, displays a poster bearing the

inscription, "We do not want to be cannon fodder," during a

student protest against reprisals for refusing military service.

Israeli Jets Hit PLO Base

In 2d Strike in Lebanon

Washington Post Service
JERUSALEM — Israeli jets
bombed a Palestinian guerrilla
base near the Mediterranean port

city of Tyre on Tnesday, destroy-

ing a headquarters building in the second confirmed Israeli air strike

in Lebanon since the crisis over Syrian missiles there began in

April, the army command con-

The attack underscored Israeli

Prime Minister Menachem Begin's rejection last week of requests by

the United States to refrain from

conducting bombing missions in Lebannn until U.S. special envoy Philip C. Habib completes his dip-lomatic mission in an attempt to

The army command said the Is-raeli warplanes demolished the

"regional operating headquarters" of el-Fatah, the principal military wing of the Palestine Liberation

Organization, in an orange grove near the Tyre-Sidon highway,

about six miles (10 kilnmeters)

solve the crisis.

north of Tyre.

(Continued from Page 1) Assad," said a Peres adviser, refer-ring to Syrian President Hafez al-

There is no Arab country more feared and loathed in Israel than Syria, given the costly battles in the Golan Heights in 1973 and the episodes of torture and mutilation of Israeli soldiers that are part of the lore of those battles, Mr. Peres has been put in the position of having to support Mr. Begin's position on the threat of the Syrian missiles to Israel's security, while feeling free nnly to criticize Mr. Begin's management of the crisis. Even then, Mr. Peres has been cautious, apparently fearing that any criticism could be interpreted as a

lack of patriotism. For his part, Mr. Begin has blended anti-Syrian rhetnric with studied military restraint, leaving the impression of a responsible statesman standing firm against the enemy but not willing to commit Israeli soldiers to battle unless it is absolutely necessary.

Practically every night for the last month, the first 10 minutes of Israeli television news has been dominated by fontage of the prime minister — Mr. Begin emerging from meetings with U.S. special envoy Philip C. Habih; Mr. Begin talking tough against rejectionist Arab states in unprecedentedly frequent news conferences; Mr. Begin assuring Jewish settlers in the West Bank that he will never yield an inch of occupied territory, and subtly linking the proliferation of settlements to the Syrian menace to Israel's security.

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When the April cost-of-living in dex was announced last month at 10.4 percent - 125 percent on an annual basis - the news was huried in an avalanche of Syrian crisis stories, and it barely caused a mur-

said, adding that all of the aircraft

returned to base. There was no

Syrian missile or aircraft response,

The raid, which lasted 45 min-utes and included six U.S.-built F-

4 Phantom jets, according to Beirut's Christian Voice of Leba-

non radio, came after Mr. Habib

and U.S. Secretary of State Alex-

ander M. Haig Jr., in messages to Mr. Begin, reportedly asked Israel to call a moratorium on attacks in

In a statement issued Tuesday night, Mr. Begin said, "Israel will

continue to conduct preventive at-

tacks against the terrorists in order to prevent murderous attacks against Israeli citizens." He added

that he never requested a "green light" from the United States to "defend our sovereign responsibili-ty," and said that responsibility

In a television interview Tues-

day, Mr. Begin said, "We attack the terrorists in their bases and

they are in disarray ... I told Mr.

rests upon Israel alone.

according to the army command.

mur of complaint. Most noticeably, there was not even an outcry from the inflationweary Sephardic Israelis, who comprise a sizable portion of the country's lower income groups. Of the approximately 2.5 million voters in Israel, about 53 percent are Sephardic, or oriental, as distinct from the Ashkenazie Jews of European origin.

Mr. Begin also seems to have come out of the shell to which he retreated last winter when he contemplated resigning. He has become as combative and tireless in his campaigning as he was when he set out in 1977 to end three decades of Labor Party rule.

And at the same time, Mr. Peres, surrounded by intraparty squabhling and recriminations over what went wrong, appears to be snake-hitten by Mr. Begin's metamor-phosis. His public appearances so far have been less than electric, and his advertising campaign — even according to his own staff has been a failure.

The fight over control of the Knesset and government is far from over, and the 10- to 15-per-cent undecided vote is in the bal-

Bani-Sadr Aide Detained After Search of Home

TEHRAN - An aide to Iranian President Abolhassan Bani-Sadr has been arrested, the liberal daily newspaper Mizzn reported Tues-day.

The paper said revolutionary

guards on Sunday arrested Manouchehr Masoudi, an adviser attached to the president's legal department, after searching his hume and confiscating a large number of documents, files and tages. tapes. He was reportedly taken to

Tehran's Evin Prison.

The president's office confirmed the arrest but said the reason for the action was not known. On May 17, annther presidential aide, Mor-teza Fazlinezhad, was detained for allegedly stealing secret documents from the Iranian Foreign Ministry. Mr. Bani-Sadr Tuesday did not make any comments on a warning

from a three-man government pan-el that he had violated the consti-tution and the orders of revolutionary leader Ayatollah Ruhollah Khomeini. However, his advisers said he was expected to make a statement soon.

WORLD NEWS BRIEFS

Chinese Premier Visits Afghan Refugee Camp

The Associated Press

ISLAMABAD, Pakistan — Chinese Premier Zhao Ziyang on Tuesday flew to the Nasserbagh tent village of Afghan refugees and expressed solidarity with Afghanistan's struggle against Soviet troops. He was accompanied by Pakistani President Mohammed Zia ul-Haq.

companied by Pakisiani President Monamined Zia ul-Maq.

More than 2 million refugees have crossed into Pakistan during the past 18 months since the Soviet Union's intervention. Mr. Zings expressed hope that Soviet troops will ultimately withdraw from Agnanistan and the refugees will return to their homeland with dignity and

nonor.

Meanhwile Tuesday, three major Afghan insurgent parties based in Pakistan announced the formation of a coalition called the Islamic Unity of the Holy Warriors of Afghanistan. The new umbrella organization plans to hold a conference within four months to work out details on a provisional government and to elect an overall leader.

Crocker Says Pretoria Sincere About Reform

WASHINGTON — Chester A. Crocker, U.S. assistant secretary of state-designate for Africa, said Tuesday that South Africa is making "a serious and honest effort to move away from apartheid," an effort deserving of U.S. support. "We ... consider that South Africa is a friend of the U.S.," he said.

Mr. Crocker told a conference of editors and broadcasters that the Reagan administration will support a policy of "constructive engagement" as long as South Africa is continuing an anti-spartheid effort. "We believe that effort is being made and we intend to back it insofar as it is being made," he said.

Italy Secrets Passed to Mason, Reports Say

United Press Intern ROME — New documents under study by investigators indicate secret service reports were being passed on to the head of the Masonie lodge at the center of the political scandal that toppled the Italian government

the center of the political scandal that toppled the Italian government last week, press reports said Tuesday.

The reports said the Rome magistrate in charge of the inquiry was trying to establish whether Grand Master Licio Gelli, believed to have fied to Argentina or Urugnay, was engaged in passing military secrets to East European countries. A warrant has been issued for Mr. Gelli's arrest on charges of military and political espionage.

The new documents, which strengthened suspicion that secret service members who belonged to the lodge had been passing on reports to Mr. Gelli, came from Marcello Coppetto, a Florence correspondent of the Italian news agency who for years had been compiling a private file on Mr. Gelli and his lodge, called Propaganda Due, or P-2.

U.S. Laser Fails to Destroy Air-to-Air Missile

The Associated Press WASHINGTON - The U.S. Air Force failed in its initial effort to shoot down an air-to-air missile with a high-intensity laser light beam-

A spokesman said there are two main questions: "Did we miss it? Or did we hit it and nothing happened?" Officials have emphasized that practical laser weapon is still years away. In Tuesday's test, a laser beam was aimed from a modified KC-135 jet transport at a 2,000 mile-an-hour Sidewinder missile that had been fired from an A-7 fighter-bomber.

[Meanwhile, United Press International quoted a French aerospace journal as reporting that a submarine-launched missile designed to carry France's first multiple warheads failed in a test firing last month and had

Baker Sees Senate Floor Fight Over Lefever The Associated Pres

WASHINGTON — Senate Republican Leader Howard H. Baker Jr. warned President Reagan Tuesday that he faces a "tough light" — and a probable Senate filibuster — in his effort to win confirmation of Ernest. Lefever as his human rights adviser.

Sen. Baker and a White House spokesman briefed reporters on the Tennessee senator's report to the president during a meeting of Republican congressional leaders. Deputy White House press secretary Larry Speakes said the president's position "remains the same as it's always

been" in support of Mr. Lefever. After the meeting, Mr. Baker said that he advised Mr. Reagan that he probably would need 60 Senate votes, the margin required for shutting off a filibuster, instead of the majority of 51 senators necessary to win Mr. Lefever's confirmation. The nominee faces strong opposition in the Senate Foreign Relations Committee, which has called him back for more questioning Thursday.

2d Poll Finds '56 Harvard Alumni Richer but Not Happier Than in '71

The Associated Press CAMBRIDGE, Mass. - They're richer, fitter and not as politically liberal as they were 10 years ago, but they're not so sure

they're any happier. In a survey done for their 25th reunion this week, the men of Harvard University's Class of 1956 say more class members than ever before "express second thoughts about various aspects of the path we have taken to reach wherever we are today."

More than 40 percent of the 664 alumni completing a question-naire said they could not call themselves "contented" or "blessed" despite a class median annual income of \$60,000 and an average

net worth of \$300,000. Half the class called itself liberal in 1971 but now claims to be politically moderate. Eighty percent, however, said they supported women's liberation and almost the same percentage opposed using "any and all means" to defend "our way of life" anywhere in the world. Only 59 percent said they would choose the same careers

that they were satisfied with their work. Perhaps a reflection of mid-life crisis, perhaps regrets deriving from a longer time horizon of introspection, perhaps some jealousy of the wider choice of lifestyles available to today's young people," was responsible for the shift in attitude

today, down from the 75 percent who said in a survey 10 years ago

Huge Crowd Mourns Zia

(Continued from Page 1) two officers during the attack while in custody.

Bangladesh government officials and other sources generally agreed, however, that Gen. Manzur's motives in launching the rebellion ap-pear to be personal rather than political. It was widely reported that Gen. Manzur, a hero along with the President Zia when he was a general officer in the army during the 1971 breakaway war against Pakistan, had deeply resented a

office job in Dacca as commandant of the army staff college. According to foreign and Bangladeshi sources, Gen. Manzur, regarded as a brilliant but extremely ambitious officer, had been angry with President Zia since 1979 when the president transferred him to Chittagong in what was seen as a move to keep him out of the way.

scheduled transfer from his com-mand position in Chittagong to an

Gen. Manzur, 43, considered an intellectual among officers with a masters degree in economics from Dacca University, was politically Dacca University, was pontically hard to classify, sources said. During his student days he had been considered pro-Peking but he later established relations with the Islamic fundamentalists who constitute a key force in Bangladesh politics, one official said.

Dutch Vote to Sever South Africa Treaty

The Associated Press
THE HAGUE — The Dutchparliament gave final approval
Tuesday to a measure breaking off a 30-year-old cultural treaty with South Africa because of that country's apartheid policy.

French A-Tests To Be Resumed After a Review

PARIS — France will resume nuclear tests in the South Pacific atoll of Mururoa but only after a thorough review of the program, Defense Minister Charles Herni

said Tuesday.

The new Socialist defense minister halted underground tests in French Polynesia last week pending a study of the whole question.
In a statement Tuesday, Mr. Hermu said, "After the time needed to review the matter and in consultation with President François Mitterrand, nuclear tests will take

The new government's decision to halt tests caused an uproar among conservative politicians and service chiefs. Monday night, opposition leader Jacques Chirac denounced the decision to suspend testing as an action "jeopardizing France" defense are the suspendizing the suspendizing and suspendizing the suspendix sus France's defense system."
Underground tests scheduled

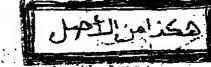
for Mururos within the next few days were called off shortly before senior staff officers and scientists were to have flown to Tahiti, headquarters of France's nuclear exper-imental center in the Pacific.

Mr. Herm said a committee of experts would review the program and make recommendations.

Then, Mr. Mitterrand will decide which weapons will be developed and what tests will be required, of-

U.S. Names Beirut Envoy

mat Robert Sherwood Dillon as ambassador to Lebanon, Mr. Dillon, 52, will succeed John Gunther Dean, who is resigning.





compromises on the key points of his tax program in an Oval Office

House Speaker Thomas P. O'Neill Jr. of Massachusetts, ap-

parently cettled at advance White House publicity about the "last chance" meeting, denounced Monday and the state of the s

for further talk about the Reagan

tax plan he called "a windfall for

But Rep. Dan Rostenkowski of

five Democrats left the Oval Off-

Open Door

Reagan aides told him to "keep the

door open" for a compromise despite the hard line that Mr. Reagan

took in the meeting with Rep. Ros-tenkowski, Rep. O'Neill, House

Rep. Rostenkowski said the



The new U.S. ambassador in El Salvador, Deane R. Hinton, inspects the official honor guard after presenting his credentials to the ruling junta at the presidential palace in San Salvador.

New U.S. Ambassador in Salvador Hopes Military Assistance Will Be Scaled Down

By Dial Torgerson

Las Angeles Times Service
SAN SALVADOR — Calm and
cool amid tropical heat and Yankee-baiting questions, the new U.S. ambassador here, Deane R. Hinton, said at a news conference that he hopes U.S. military aid will be scaled down rather than increased. American aid to the military-civilian junta consists of a 54-man military training group and limited supplies of U.S. equipment, rang-ing from boots to helicopters. Asked about a Salvadoran offi-

bassador said Monday: U.S. aid is, of course, a function of the evolving situation. But I'm hoping that we can reduce the number of U.S. trainers."

cial's comment that this country

will ask for more such aid, the am-

Mr. Hinton, who arrived here last Thursday, said he hopes that El Salvador's junta — a centrist government supported by military forces with rightist traditions —

By Bernard Weinraub

New York Times Service

WASHINGTON — Archibald Cox and Robert H. Bork, both of

whom served as U.S. solicitor general, told a Senate panel that legis-

lation seeking to make abortion illegal would be unconstitutional.

Their view met with strong disa-

Appearing Monday before the

Judiciary Subcommittee on the

Separation of Powers, Mr. Cox and Mr. Bork said in essence that

it would be improper for Congress to tamper with the ultimate au-

thority of the Supreme Court, which decided on the legality of abortions in 1973. Mr. Bork is Al-

exander Bickel professor of public law at Yale and a conservative le-

Mr. Cox, a Harvard law profes-sor who is a Democrat, said the

current anti-abortion measure be-fore Congress "should be rejected as a radical and dangerously un-principled attack upon the founda-tions of our constitutionalism."

At issue is a bill sponsored by Scn. Jesse A. Helms, Republican of North Carolina, and Rep. Hen-ry J. Hyde, Republican from Illi-nois, which would define unborn

Six other witnesses appeared at the hearings, which are scheduled

Taiwan Refuses

China Cables to

Soong Relatives

PEKING — Triwan has refused to accept telegrams of condolence cent from Peking to relatives of Soong Ching-ling, the widow of Chinese revolutionary leader Sun Yat-sen, the Chinese news agency reported Tuesday.

Miss Soong, whose husband led the 1911 revolution that overthrew China's last emperor, died Friday

China's last emperor, died Friday of leukemia at the age of 90. Short-iy before her death, she was named

grams reporting Miss Soong's death and offering condolences were sent to Taiwanese President

Chiang Ching-kuo and armed forces commander Chiang Wei-

kno. Both are the sons of the late President Chiang Kai-shek, who was married to Miss Soong's sister.

The news agency said Peking au-thorities received a message Mon-

day from the Taipei telecommuni-

telegraph or postal links between China and Taiwan.

LE GRAND CHINOIS

cation office stating the refusal. There are no direct telephone,

onorary president of China. The agency reported that tele-

greement.

Cox, Bork Both Oppose

U.S. Anti-Abortion Bill

will get more U.S. economic aid. "More economic aid will be Duarte, he said, needed," he said. "What I am seek-by Leninist forces.

ing to find out is how much more will be needed, what for, and how we can make sure that it is used to really help revive the economy."

El Salvador's government, opand leftist guerrillas, is also facing an economic crisis because of low prices for the nation's coffee exports and a flight of capital set off

by the civil war. Mr. Hinton, 58, a 35-year veteran of the Foreign Service, answered hostile questions - mostly from European free-lance journal-

"How can you legitimize the support of your government if the spiral of killings by the security forces continues?" an Irish jour-nalist asked. "I hoped you would help." Mr. Hinton replied, "by tell-ing your readers the truth."

The United States, he emphasized, is "defending a reform-minded government, and it is nothing to be ashamed of." The junta led by Jose Napoleon Duarte, he said, is "under attack

Court Rejects Claim by Sioux To Black Hills

He accused the press of overem-

phasizing stories about killings of

civilians by the military forces.

The extreme left, he said, is guilty

f similar excesses. Why, he asked

Mr. Hinton is the first ambassa-

did newsmen not dwell on them?

dor here since January, when Rob-

over U.S. relations with El Salva-

promote human rights in Latin America, resigned from the State

Department and has accused the

Reagan administration of de-em-

phasizing the houman rights issue.

y government under attack," Mr.

Hinton said, when asked about the

difference between his assignment and Mr. White's. "We will contin-ue to help them. And we will urge

that they conduct themselves in

such a way that there is an abso-

lute minimum of excesses by the security forces."

"We consider the junta a friend-

The Associated Press

PIERRE, S.D. - A federal appeals court has rejected an Indian lawsuit that sought \$11 billion and possession of the 7.3 millionacre Black Hills region of South

The 8th U.S. Circuit Court of Appeals in St. Louis said Monday that Congress had created the In-dian Claims Commission, now disbanded, as the sole remedy for claims to the Black Hills.

This has nothing to do with Indians," said Russel Barsh, a University of Washington law professor who has helped handle the case. "Under this ruling, Congress can take anybody's property and then pass a law saying you can't go to court and fight it." He said there would be an appeal. The Oglela Sloux Indian's law-

suit stems from a 60-year legal bat-tile involving a claim by eight Sioux tribes. The U.S. Supreme Court, which ruled last year that an 1877, act of Congress illegally seized the Black Hills from the Sioux, awardthe bill among virtually all careful students of the Constitution, ed the eight tribes \$105 million -\$17 million plus interest - in compensation for the land. "It's just totally absurd," Mr. Barsh said of the ruling. "You know, \$17 million wouldn't even

in 1877 alone."

constitutional meaning.

But Mr. Degler said the Helms-

"Conservatives ought to oppose it as a deeply radical measure," concluded Mr. Degler.

to continue in mid-June. These were Professors Robert Nagel of the Cornell University Law School and Basile Uddo of the Loyola University Law School, and four historians, Carl Degler of Stanford, James Mohr of the Universi-ty of Maryland in Beltimore, Wil-liam Marshner of Christendom College in Front Royal, Va., and Victor Rosenblum of Northwest-

congressional power as a co-equal branch of the government to decide a question not answered by any applicable Supreme Court de-

He was especially caustic about legal experts opposing the bill, say-ing their arguments were laced with misstatement, innuendo, implication, even sarcasm. He singled out Laurence H. Tribe, a Harvard constitutional law specialist, who recently told the panel that there was a unison of voices opposing

Mr. Nagel also said the bill is constitutionally sound, arguing that the crucial importance of the courts in our system should not be exaggerated so that the judiciary becomes the exclusive source of

babies as living beings from the moment of conception, thereby al-lowing states if they choose to prosecute abortion as murder.

ern University. Mr. Uddo said it was within

Hyde bill is not a conservative measure, adding. It does not conserve; it innovates. Rather than recognizing complexities in human affairs, as conservatives do, it as-

Muldoon to Visit Bonn BONN — New Zealand's Prime Minister Robert Muldoon will visit West Germany in June following visits to Italy, France and Britain.

pay for the gold that we know white miners took out of the hills



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Ex-Hostage Is Denied U.S. Medal Reagan vowed to make oo further

Army Action Based On Iran Film Role

WASHINGTON — Administrative action may be taken against an Army sergeant who appeared in a film critical of the United States while he was being held hostage in

Iran, according to Army sources.

Joseph Subic Jr., 23, of Redford, Mich., was the only one of 21 servicemen among the 52 Americans held in Tehran for 444 days to be denied a medal for meritorious service under noncombat conditions.

The Pentagon announced the awards Monday following their approval by Defense Secretary Caspar W. Weinberger and the Joint Chiefs of Staff, who followed the Army's recommendation in not awarding Staff Sgt. Subic the De-fense Meritorious Service Medal.

Sgt. 1st Class Donald Hohman. 37, of Sacramento, Calif., emerged as the only official military hero of the hostage crisis. He will receive two medals, including the Soldier's Medal, the Army's highest noncombat award for heroism.

Sgt. Hohman, a medic at the 97th General Hospital at Frankfurt, West Germany, is credited with saving the life of a fellow hostage who became extremely ill from an insect bite and was in danger of dying.

Army sources said the administrative action against Sgt. Subic, now stationed at the Intelligence and Security Command at Aring-ton Hall, Va., could range from a reprimand to being barred from re-enlistment. He has served seven years with the Army.

ert E. White, 54, was removed from the job amid a public debate An Army spokesman said Sgt. Subic will oot receive a medal bewith the Reagan transition team cause he "did not behave under stress the way noncommissioned dor. Mr. White, who served bere officers are expected to act." for one year as an appointee of a Carter administration seeking to Sgt. Subic and three other hos-

tages appeared in an Iranian film that condemned the role of the United States during the reign of After his release, Sgt. Subic said

the film was faked. His attorney, Owen Cummins, said Monday of the Army decision: "I don't think they've got the whole picture" of what happened in Iran. He said Sgt. Subic will

withhold comment until be is re-

leased from the Army within the

next 90 days. Marine Sgt. Johnny McKeel Jr., a former hostage home on leave in Balch Springs, Texas, said, "I don't think the government should press it anymore. Give him the

Tax Talk With Reagan Splits Democrats By Howell Raines
New York Times Service Majority Leader James C. Wright of Texas, Senate Minority Leader WASHINGTON - President

Robert C. Bird of West Virginia, and Sen. Russell B. Long of Louisiana, chairman of the Senate Finance Committee. After the meeting, not even the participants seemed certain where meeting that split the Democratic congressional leadership on whether to continue negotiations or prepare for an all-out fight.

the tax-cut battle was headed oo two key points of difference - the duration of the tax-reduction period and the Democrats' demand that the cuts be targeted to help middle-income taxpayers. However, there was renewed

day's hourlong session as "a media event." He said there was no room talk of compromise — from Rep. Rostenkowski. Treasury Secretary Donald T. Regan and others even as the senior figures, Mr. Reagan and Rep. O'Neill, took adamant public stands against fur-

ther compromise.

An aide to Rep. O'Neill said that the overture to Rep. Rosten-kowski contained hints that the Illinois, publicly differing with Rep. O'Neill in their joint news conference, said be would urge Democrats on the House Ways and Means Committee to seek a president might even scale back compromise tax-cut program ac-ceptable to the president. the overall size of his tax plan in return for its across-the-board fea-The conciliatory attitude of Rep. ture that favors affluent tax payers and investors. A deal "is salvage-able, but I can't assess the proba-Rostenkowski, chairman of the Ways and Means Committee, was based, he said, on his hurried conbility for another couple of days, versation with two senior White House officials as the delegation of Mr. Reagan told the Democratic

leaders that he is committed, as a matter of economic principle and campaign promises, to three successive years of across-the-board cuts in the income tax rates. But he was quoted as saying Monday he would settle for a 5 percent cut in the first year and 10 percent in the

president has publicly backed down from the 10-10-10 formula he advocated in the campaign. However, the Democrats were di-vided on whether that represents a

COOCESSIOO. "There have been concessions," Rep. Rostenkowski said. He noted that the president also agreed to Democratic proposals to reduce estate taxes and the effective tax penalty against married couples. And the administration agreed to

tation of existing buildings. Even with Mr. Reagan endorsing the 5-10-10 formula, Rep. O'Neill insisted, "I don't consider that be's made any major conces-

"I want no one to understand that the negotiations are closed." Rep. Rostenkowski concluded, in contrast to Rep. O'Neill, who said: I left with the idea that they didn't want to compromise."

The speaker added later, "I had the feeling that we were being set up." Rep. O'Neill said that the White House aides who ap-proached Rep. Rostenkowski and Rep. Wright with the "open door" message also told them: "Don't be as adamant as O'Neill."

The conflicting statements from Rep. Rostenkowski and the speaker indicate some progress in what White House officials acknowlnext two years.
This is the first time that the edged was a strategy to drive a

wedge into the Democratic leader-ship. The officials said that they had been trying for two weeks to coax Rep. Rostenkowski into breaking with his party's leaders and developing a bipartism mea-sure that Republicans and onserv-

ative Democrats could support in a conlition such as passed Mr. Reagan's budget cuts. The White House view is that Rep. Rostenkowski is willing to draw a compromise bill but is liberalize the income tax laws for

being held back by liberal Demo-crats on the Ways and Means individual retirement accounts, in-Committee who bave overwhelmvestment savings and the rehabiliingly rejected the 5-10-10 formula. Treasury Secretary Regan said Monday that the participants in the Oval Office meeting were fairly close on secondary issues, but beld

widely divergent views on the basic principles at stake. The across-the-board feature is a major ideological sticking point. It would give low-income and highincome taxpayers the same per-centage tax reduction, thereby giv-ing the wealthy much larger dollar amounts. Mr. Reagan says this tax saving would be reinvested by the

affluent to spur economic growth. Rep. Rostenkowski wants to concentrate the benefits of any tax cut on taxpayers in the \$20,000 to \$50,000 income range.

Another Democratic objection is that a multiyear tax cut could produce bigger budget deficits, allowing the Reagan administration to justify even deeper cuts in social welfare programs in the second and third years of the tax cut.

U.S. Cancer Institute Is Accused of Laxity Over Grant

By Victor Cohn

Washington Post Service
WASHINGTON — The National Cancer Institute gave a New York Medical College scientist a \$910,000 grant last year although in 1979 he had resigned from Boston University after some co-workers contended that his treatment results there contained false data

which be continues to deny. The case will be cited by Sen. Orrin G. Hatch, Republican of Utah, Tuesday as a serious example of "lax surveillance" and "tolerance of mismanagement" by the federal agency that spends a billion dollars a year on cancer research, more than the government spends on any other disease.

Sen. Hatch, chairman of the Senate Labor and Human Resources Committee, will open a hearing on the cancer institute by charging, according to a statement released Monday, that the institute has repeatedly been slow or reluctant to correct or punish mistakes or mismanagement at several re-

The most significant incident.
Sen: Hatch said, it was charged that dangerous chemicals when Dr. Marc Straus — now at New-York Medical College's West-chester County Medical Center— resigned from Boston University after a oumber of doctors and nurses alleged that data in research that he supervised were false.

Soviet Embassy Staff Arrives in Zimbabwe

United Press International
SALISBURY — Four Soviet diplomats have arrived here and begun setting up an embassy, three months after Zimbabwe and the Soviet Union agreed to establish diplomatic relations. The Soviet Union is the last major power to establish links with Prime Minister

Robert Mugabe's government. Vladimir Silkin, who will be charge d'affaires, said Tuesday that seven more diplomats, technicians and staff members would arrive Saturday. He said an ambassador would be posted soon, but he did not identify the envoy.

consent in many cases in the same Dr. Straus said Monday that the

accusations against him were false and "maliciously made." He said he will make a statement later this week that "will shed a totally different light on the allegations. "All the allegations were made by people under disciplinary job

action by me," he said. The charges against Dr. Straus have never been resolved. Despite this, be was awarded the \$910,000 National Cancer Institute grant to study responses of animal and buman cells to cancer chemicals. Sen. Hatch said NCI officials did not report the accusations to scientists who conducted a peer review of Dr. Straus' research proposal or the institute's National Cancer Ad-

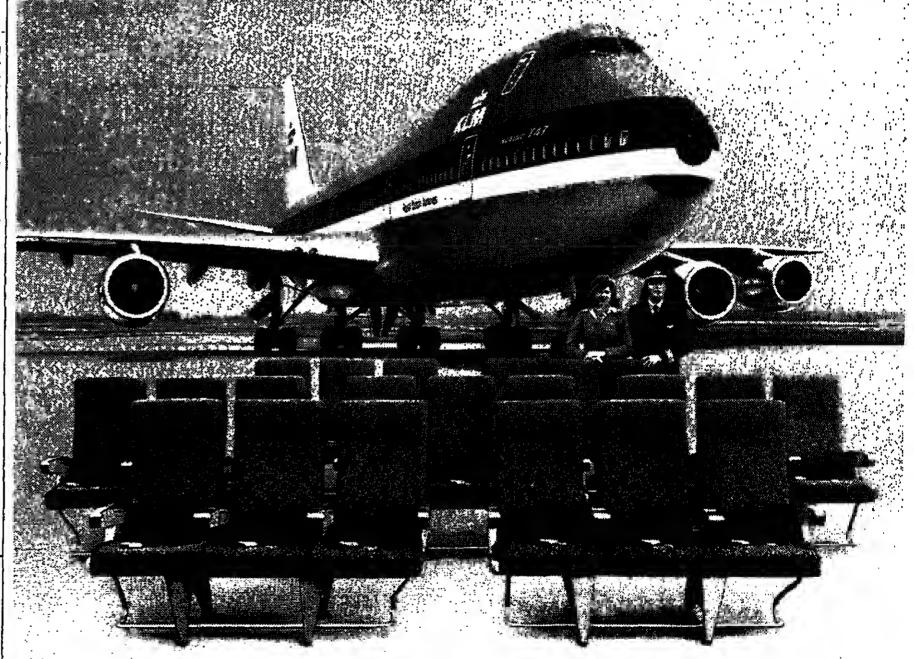
Only last July did the institute order an investigation, still incom-plete, of Dr. Straus' Boston activi-

visory Board, which screens major

In doing cancer research, Dr. Straus needs Food and Drug Administration approval to use experimental drugs. In beginning a pending review of his eligibility. Dr. Frances O. Kelsey, director of scientific investigations in the Food and Drug Administration's Bureau of Drugs, wrote Dr. Straus last August, saying "we believe you ... have repeatedly or deliberately submitted false information

to the National Cancer Institute. Dr. Vincent DeVita Jr., the institute's director, is expected to testify Tuesday in much the same vein in which he wrote Sen. Hatch last Tuesday, saying that the institute initially felt that investigations of Dr. Straus by Boston University and the Eastern Colleges Oncolugy Group were sufficient, but "in retrospect I believe" the institute should have investigated promptly.

As for oot telling peer reviewers and advisers of the charges, Dr. DeVita said that the charges are still unproven and that Dr. Straus' oew grant, unlike his old one, involves no work with actual pa-



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West Africans' Growing Taste for Rice Becomes Political Issue

By Stephen Powell

ABIDJAN, Ivory Coast - A revolution in West African eating habits is giving rice a growing importance — oot only in diet but also in politics.

Rice has played a part recently in toppling two governments in West Africa and the buge increase in rice consump-tion over the last generation is posing enormous problems for the region's politicians and planners

Sidi Coulibaly, the 40-year-old execu-tive secretary of the West Africa Rice Development Association, said: "If you talk to almost anyone of my age they will tell you that when they were ehildren they are rice only on feast days. Now it's every day."

The region is becoming dangerously dependent oo rice imports as the gap be tween production and demand widens. The aim of the rice association is to make its 15 member countries self-sufficient io rice, but there is a long way to

The region is now about 70 percent self-sufficient in rice. If we remain at

this figure of 70 percent, imports will go up and up. It is a dangerous siruation," said Mr. Coulibaly.

Because on average only 4 percept of world rice production goes for sale on the international market, reliance on imorts is a recipe for danger if the crops fail in the world's main rice-growing

areas, Asia and North America.

The most extreme case of rising demand is Nigeria, where rice is a hotly

debated issue.

"In Nigeria you have all the factors that make for increased rice demand," Mr. Coulibaly said. "First. greater spending power. When people get richer they change from traditional foods such as yams and buy the more prestigious food, rice, instead

Political Effect

Then there is urbanization. When Africans move to towns they eat more rice. It's easy to stock and easy to pre-

In 1960-64 the rice association's 15 member states imported about 300,000 tons of rice a year. This year, agricultural experts in Lagos estimate that Nigeria 1975, according to association figures, it imported 40,000 tons.

In April, 1979, in Liberia, about 100 people were killed in riots caused by a proposed increase in the price of rice.

A U.S. agricultural expert wrote nine months later that the riots "were a warniog for all of West Africa ... Consumers io this part of the world are now very touchy when it comes to both rice prices

lo April, 1980, three mooths after those words were written, the Liberian government of President William Tolbert was overthrown and he was killed. The new military rulers said they were furthering "the struggle for rights and rice." Mr. Tolbert's family were the biggest rice dealers in Liberia.

A coup in Guinea-Bissau last November was nicknamed the "rice coup" because it was preceded by a chronie shortage of rice in the main towns.

emigration.
Mr. Cuomo said that aside from

the Italian government's reluc-

tance to pour money into a de-pressed area. Rome also holds a

long-standing bias against developing the south. He added that it his committee cannot work with Rome's approval, "we will simply go ahead with the belp of the local

Different Agencies

that there are two types of relief groups handling American contri-butions: operating agencies that do their own field work and volun-

tary agencies that, lacking overseas

personnel, must hand over funds

to the operating agencies. Two in-

ternational operating agencies, the Red Cross and Catholie Relief Ser-

vices, each have collected \$10 mil-

lion and are distributing it in vari-

ous forms in Italy. The Salvation

Army is also dispensing \$9 million. Voluntary agencies with oo staff to distribute funds bave been

shopping for projects, a spokes-

man for the American Council of Voluntary Agencies said. Some Italian-American civic leaders ar-

gue that buge capital investments

require patience, while others com-

The Sons of Italy, for example, raised \$2 million and spent half of

it for vaccines, but the difficulty is

in using the remainder. Dozens of

smaller civic groups - including Save the Children, which raised

\$187,000, and the American Jew

isb Joint Distribution Committee

Using this individualized strate-

gy, American companies can pro-

former ambassador to Italy who

visited the stricken area, stressed

the potential for American inves-tors in joint ventures to stimulate

growth of industry, agriculture and

tourism in the south. Relief proj-

ects are expected to produce busi

ness for the American drug and

housing industry. Mr. Gardner

suggested that the U.S. govern-

ment money finance projects visi-ble to the average Italian, such as community facilities.

like indecision.

lain about months of what seems

Complicating efforts is the fact

In Nigeria, a columnist wrote a few months ago in the state-owned New Ni-gerian newspaper: "Suddenly rice has moved to the center not only of the aver-

alone will import twice this amount. In 1975, according to association figures, it politics in the early 80s."

Nigerian rice production rose from 550,000 tons in 1978 to 725,000 tons in 1980, but demand is rising faster, and prices are very high. One agricultural an-alyst said the landed import price for a 110-pound (50 kilogram) bag of rice at Lagos is equivalent to \$25 to \$28. It is now selling in Lagos markets for between \$90 and \$100.

Senghor's Appeal

In Senegal, former President Leopold Sedar Senghor urged his countrymen to vary their diet and cut down on rice, but the appeal fell on deaf ears. The 1 million people of Dakar alooe eat more rice than all of Senegal produces.

Mr. Coulibaly of the West Africa Rice Development Association says consumption has grown at an annual rate of 5 percent in recent years, and certainly will continue to rise.

The maio thrust of the association's strategy is to try to introduce more irrigated farming. Only 10 percent of West Africa's rice is grown with any degree of water control while 60 percent is rain-fed rice and 30 percent mangrove or floating rice.

Major irrigation schemes have proved difficult to bring to fruition.

The most famous was the French colonial project to irrigate 2.5 million acres (1 million hectares) in the internal delta of the Niger River. Only about 150,000 acres is oow under irriganon, and this great area in the heart of Mali still has unfulfilled potential.

A study by Stanford University two years ago said that Mali was one of only two rice association members that appeared a likely exporter of rice by 1990. The other was Sierra Leone. though since the report was published even Sierra Leone's imports have risen considerably.

Unlike Southeast Asia, West Africa has no long tradition of rice-growing, so farmers lack experience. Yields are low, oo average 3 tons per acre, as against 12.5 tons per acre in Southeast Asia. Rice association officials say lack of fi-oancial incentives to farmers is another reason for low production.

Gabon Sees

Key to Aid in

Census Data

By Susan Linnee

The Associated Press

Gabon have a population of 1.3

million as the government officially lists it? Or is it 800,000 as indi-

cated by the preliminary results of

a United Nanons-cooducted cen-

Bank calculates in its 1980 atlas?

sus? Or is it 645,000 as the World

The oumber of people in the

country has become a sensitive

With an annual per capita in-come the equivalent of \$3,280, based on World Bank figures, Ga-

bon is the second most prosperous

natioo in Africa, statistically speaking (Libya, a fellow OPEC member, ranks first.) That makes

it difficult for Gabon to qualify for

eferred development loans and

A recent study of income distri-

butioo in this former French col-

ony, however, indicated that less than 1 percent of the population receives more than 80 percent of the revenue derived from the sale

of oil and timber, the traditional

Oil Money

Although Gabon enjoyed an oil boom in 1974-76 that resulted in a

Burry of official construction proj-

ects, the trickle-down effect of oil

wealth has been minimal. According to an International Labor Or-

ganization study, petroleum pro-duction accounted for 40 percent

of the gross national product in

1975 but only 3 percent of house-

70 million barrels a year now with

new offsbore deposits reported.

Gabon would like to take ad-

vantage of soft loans and other

coocessional assistance available

to developing countries, but its per capita income figure is too high to

allow the country to qualify for most aid programs. If the popula-tion were greater, the per capita in-come would go down.

The Ministry of Planning has

refused to accept the census report

it received from a UN team in De-

cember, even though the govern-ment requested the survey. The

project is at a standstill, and the

director has left the country, ac-

cording to a census team member

Two years in planning, the cen-

a UN group working with 60 Ga-

Thick Forest, Bad Roads

er UN project maintained that census-taking was oot terribly dif-

ficult despite dense tropical forest

"Most of the people in the inte-rior live in small villages along the roads, and they koow the

whereabouts of everyone else," be said. "And with a highly central-ized administration based on the

French system, there is little that is

population at the time of inde-pendence in 1960 was 580,000. In 1970, the government said there were 950,000 Gabonese, indicating

a population growth rate that ex-perts claim is highly unlikely.

the results so we're not going any-where and we've stopped analyz-ing the rest of the data." the UN

team member said. "But there is

no way the figures can be changed to make it look as though there are

The government also has set up an institute to study sterility, much of which is caused by particularly

virulent strains of venereal disease

doctors say. The institute is largely supported by Elf-Gabon, the French-based company responsi-ble for most of Gabon's oil pro-

more people than we counted."

"The government doesn't like

The French said the country's

A sociologist involved in anoth-

bonese enumerators.

and bad roads.

not known.

was carried out last August by

who asked not to be identified.

Petroleum production is around

and important issue here.

aid from abroad.

export.

hold incorec.

South Africa Blacks **Deeply Divided Over Opposition Strategy**

By Caryle Murphy Washington Post Service

JOHANNESBURG - Personal and ideological differences among black groups fighting apartheid in South Africa appear to have deep-ened over the last five years, un-dercuting the black protest movement's effectiveness.

The black consciousness movement has failed to recover from what amounted to a political lobotomy in October, 1977, when authorities banned 18 organizations and interpretation of their leaders. and imprisoced 50 of their leaders. Partly as a result, the movement is saddled with second-rate leaders and plagued by divisions. It is foundering as it attempts to define a cohesive philosophy of "liber-atioo" and remains without effective grass-roots organization.

Even more crippling for any nanional black resistance to govern-ment policies is the bitter rivalry between this fractured black conciousness movement and Inkatha, the largest black political organiza-tion in the country led by Zulu chief Gatsha Buthelezi.

Inkatha's rapid organizational growth since 1976 — burgeoning from 40,000 to more than 300,000 members, according to audited dues lists — has combined with the fraility of the black consciousness movement and heavy police sur-LIBREVILLE, Gabon - Does veillance and harassment to hardon the lines between these two competing groups.

"The severity and bitterness of these conflicts have increased over the past two years," writes a South African opinion poll-taker and so-ciologist, Lawrence Schlemmer.

The third major factor in South African black protest politics is the guerrilla organizations: the Afri-can National Congress and, to a lesser extent, its rival, the Pan-Africanist Congress. But since both are banned, their sympathizers work underground or through other, overt organizations. As a novement, the African National Congress takes an ambivalent stance toward black consciousness and lukatha, ranging from indif-

ference to hostility.

South Africa's black population of about 20 million has always had - and oo doubt will continue to have - various political persua-

sions and parties, given its ethnic and geographical differences. But the failure of these three groups, particularly the two overt ones, to formulate common strategies is preventing a potentially stronger opposition to the government, even given the restrictive parameters allowed black politics in this country.

"ft does make the liberation struggle much more difficult to get on an even keel," said a black journalist. "They spend so much energy fighting each other they have ess time to fight the government."

Lokewarm Support

For example, in early 1980 black consciousness activists in Soweto began a campaign to gather peti-tions calling on the government to release the imprisoned African National Congress leader Nelson Mandela. They did not ask Inkatha to help organize the campaign. lnkatha gave it only lukewarm

support. Chief Buthelezi publicly criticized it for hurting behind-the scenes efforts he was making to get the government to release Mr. Mandela.

The lack of coordination probably limited the success of the cam-paign, which folded with less than 80,000 signatures.

In another area, Inkatha has set up a multiracial commission to study alternative constitutional models for South Africa. The black consciousness groups have not been invited to participate and they would refuse the invitation if they got one, they say. A prom-nent black regarded as a spokes-man for black consciousness in Johannesburg told some whites that if they participate in the com-mission, he will not cooperate with

them in the future.

The issues dividing Inkatha and the black consciousness movement relate to the role, if any, whites can play in blacks' emancipation, whether to oegotiate with the government for incremental changes and the merits of Socialism com-

pared to free enterprise. But the main dispute between the two groups concerns black polincal protest - whether to work through the system or to refuse totally to collaborate and adopt con-frontational although not necessarily violent tactics.

Budget Reforms Aim at Reviving Uganda Economy

United Press Internation KAMPALA, Uganda - President Milton Obote has announced series of drastic budget reforms. including an effective devaluation of the shilling, as part of "major surgery" on Uganda's weak economy. The oew budget was seen largely as compliance with the de-mands of donor countries and in-

"There will be a need for the tightening of our belts," Mr. Obote told a special budget session of Parliament on Monday. "Uganda is economically sick and the econ-

omy needs major surgery." Riddled by black marketeering and smuggling, the Ugandan econ-omy has been struggling since fdi Amin's ruinous eight-year rule ended in 1979. Mr. Obote put the balance-of-payments deficit for the 1980-1981 fiscal year at \$200 million. His budget predicted a deficit of \$147 million for the coming

Mr. Obote announced an end to price controls on foodstuffs and essential commodities, increases in the prices paid to producers of export crops, grants and loans total-ing \$267 million from the World Bank and the International Monetary Fund, and new fixed prices for gasoline, sugar, cigarettes and

He said the shilling would be al-lowed to float against all foreign correncies until it finds a realistic value. This means a considerable devaluation. The shilling has been pegged artificially at 7.08 to the dollar, but the dollar has been able to buy up to 30 times that amount on the black market.

tions Information Committeee - of which the United States and

other industrial nations are mem-

bers - agreed that additional fi-

nancial support should be sought to "ensure the continuous and effi-

cient dissemination of information

on development issues and on a

new international economic or-

Charles M. Lichtenstein, a deputy U.S. delegate in charge of information, said Monday that the U.S. position reflected "the very strong

split in the Western group... The U.S. and the U.K. are on one side, others are on the other."

He said it was "obviously inap-propriate to expend a dollar of UN funds for this purpose ... We feel that it is probably inappropriate for the UN to lend its name to this sort of promotion, whatever the

sort of promotion, whatever the source of the funds."

U.S. officials suggested that they opposed using the United Nations

as a conduit for private funds to

newspapers and would try to per-suade UN Secretary-General Kurt Waldbeim to adopt this view.

But Third World nations on the

U.S. Backing UN Program Of Indirect Press Subsidies

UNITED NATIONS, N.Y. The United States has joined other industrial nations in endorsing a plan under which the United Nations has indirectly subsidized foreign oewspapers that publish articles promoting UN views on aid to the Third World.

However, officials described the U.S. position as a move to head off proposals by France and West Germany to use UN funds for direct press subsidies.

For the past two years, the UN has distributed money - received from a private donation - to 15 foreign papers, which published quarterly supplements supporting UN views. Although some of the articles were written by UN offiarticles were written by UN officials, the supplements gave oo indication that funds had been provided through the body. Le Monde and Asahi Shimbun received the biggest payments —\$48,000 each.

Very Strong Split

The program, financed by a \$1.25-million donation from a conservative Japanese businessman, Rycichi Sasakawa, has run ont of money. The search for new financing led last week to the disclosure

of the subisidies.
On May 22, before the disclo-

sure of the plan, the United Na-

Information Committee have urged that funds for the supple-ments be provided directly by UN organizations or from contributions by member states.

DEATH NOTICE

The Procter and Gamble Company has deep regret in announcing the sudden and unexpected death of

Mr. C.A. FERGUSON Group Vice President for European Operations

on June 1st, 1981, as the result of an accident at home on May 28, 1981.

There will be a memorial service at the American Protestaot Church, 19 Kattenberg, 1170 Brussels, at 11:00 a.m. on June 4, 1981.

No flowers by request of the family but donations may be sent to the American Protestant Church, Brussels, or the Salvation Army, Brussels, or the American Cancer Society.

\$85 Million in U.S. Aid to Quake Victims Stymied by Italian Bureaucratic Delays be used to build schools, Mr. Phip-pard said, since the Italians do oot want to lose young families from an area already known for high

New York Times Service NEW YORK - Last November's earthquake in southern Italy, which killed 3,000 persons and demolished 365 villages, has generated promises of \$85 million from the United States, but the money is only now beginning to arrive after extensive bureaucratic delay.

Despite an appropriation of \$50

million in December, the U.S. Congress so far has spent only \$4.2 million, mainly for immediate needs of the eight million victims. An estimated 250,000 people remain homeless.

The Agency for International Development, an arm of the State Department, still holds \$45 million that will be provided in projects decided upon with the Italian gov-

ernment, according to James Phip-pard, an AID director. Expectations of a coherent plan from Rome may be unrealistic, suggests Mario Cuomo, the lieutenant governor of New York who founded a committee to oversee U.S. funds for Italy. His group has been frus-

trated, he says, by bureaucracy.
Italy has yet to set policy on such fundamental questions as to what exteot areas should be rebuilt that are geologically unstable and economically underdeveloped, Mr. Cuomo said. The region southeast of Naples is one of Italy's poorest and this has led to a seasonal exodus of men to jobs in Switzerland

and West Germany.

The remaining \$45 million in congressional funds probably will

British Government Helping Firm. To Put Edible Fungus on Market

LONDON - A high-protein edible fungus, similar in texture to meat and which could ease world food shortages, has been developed by a British company.
The company, Rank Hovis
McDougall, said it has spent 17 years developing the substance, which is produced by a method called biotechnology which in-

volves changing carbobydrates

into protein through a fermenta-tion process similar to bread-mak-The British government has approved the fungus as fit for human consumption and the company announced Monday that it had received financial backing from the government for developing the food for commercial sale.

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American Held In Threat Case

The Associated Press

Lady Diana Spencer. Mr. Zen is also charged with II, and with threatening to destroy

also have an impact on food short-ages in the Third World.

The fungus is tasteless on its own but can be processed into a wide-range of flavored foods such as soups, pies and biscuits. A com-pany spokesman said it could be on sale within a year.

He said the products — after some test marketing — would probably be aimed at commercial markets in the West, but could

To U.K. Royalty

LONDON - An unemployed American living in Britain, Ronald magistrate's court Tuesday

an unspecified number of London

арреагалсе

which raised \$145,000 - have collected \$4 million that still awaits Zen, 42, appeared in a London distribution. charges of threatening to kill Prince Charles and his fiancee, "All roads lead to Rome," says Keith Drake, director of Adottare, or Adopt, which circumvents the

Italian bureaucracy by asking American towns to send funds di-rectly to sister cities. Adottare was sending what police described as a "hoax device" to Queen Elizabeth developed by Alfred DelBello, the county executive of Westchester, N.Y., and has already given \$250,000 in direct aid.

On application from a detective of Scotland Yard's anti-terrorist squad, Mr. Zen was ordered to be held in custody until June 9. He made no application for bail and did not speak during the brief

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NE SUO CHORE: LAMBORICA SYILUPTARE LALDITA ARMATA HELEUOR! DELLA PROPUZITIVA CUSTRUE NOO APRILIS STACONBATTE ME COLURGANIS MI DI MASSA RIVOLUZIONARI

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PER IL COMUNISMO

BRIGADES' CAPTIVE - A picture sent by the Red Brigades to a Venice newspaper on Monday shows Guiseppe Talierco, 54, an executive of a petrochemical company who was kid-napped May 20. The sign demands an end to exploitation of factory workers and shorter hours to create more jobs.

UN Conference Expected On Cambodian Occupation

By Bernard D. Nossiter New York Times Service

UNITED NATIONS, N.Y. -Fresb efforts to press for a withdrawal of Vietnamese troops from Cambodia are about to be made at the United Nations, according to

Asian diplomats. UN Secretary-General Kurt vide long-range support by estab-lishing industrial links with south-ern Italy. Richard Gardner, the Waldheim is expected to announce that a long-delayed conference oo Cambodia will be held in New York beginning on July 13. About 65 nations are expected to attend but diplomats said Monday that two of the most important coun-tries involved in the situation — Vietnam and the Soviet Union would boycott the gathering.

The conference is expected to establish a smaller, continuing group that would leave the way

open for possible negotiations with Hanoi and Moscow: At the same time. Southeast Asian nations have been discussing a cutoff of UN aid to Vietnam to punish it for defying the General Assembly's demand that it remove its troops. If the effort succeeds and the prospects are not rated highly — Hanoi could lose as much as 511 million, which it is due to receive this year from the UN Development Program. No UN member has ever been denied UN assistance because it has defied the organization, officials said.

The conference oo Cambodia has the declared aim of negotiating the withdrawal of Hanoi's forces and providing for UN-supervised elections in the country. The con-ference was to be beld early in 1981, according to a General Assembly resolution adopted

overwhelmingly last fall.

Both Vietnam and the Soviet
Union have opposed the UN meeting, insisting that the world must recognize that Cambodia is governed by the regime of President Heng Samrin. His government was installed in Phnom Penb by Vietnamese troops, who continue to battle the regime's Cambodian

namese occupation are China and the members of the Association of Southeast Asian Nations — Singa-pore, Indonesia, the Philippines, Malaysia and Thailand. They have been pressing for a UN conference limited to 30 or 35 of the principal countries involved in the Cambo-

Chess Championship Set

Korchnoi, a Soviet exile, will begin Sept. 19 in this north Italian resort, organizers announced Tuesday. There will be three matches a week, and six matches are needed

Leading opponents of the Viet-

The Associated Press
MERANO, Italy — The world chess championship between title-holder Anatoly Karpov of the So-viet Union and challeoger Victor

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Tanner's 'Light Years Away' Inventive

Thomas Quinn Curtiss International Reput Tribune PARIS — Several of the Cannes festival winners — and several

of the Cannes festival losers have received immediate release in France and elsewhere in Enrope. The most worthy of these is "Light Years Away," ("Les Annees Lumiere"), which deservedly took the special jury prize. Its Swiss director, Alain Tanner, based his scenario on Daniel Odier's novel

English on location in Ireland. Though the novel, written in French, leaves its characters undefined, its story is persuasively suited to the Irish scene, its curious blead of fairy tale, way humor and the macabre being in harmony with the Celtic temperaturent. There is a Dunsanyesque flavor to its strange fantasy.

of the icarus theme and shot it in

A crazy, cold hermit visits Dublin and by mysterious mutters lures a bored young barman to join him in his rural retreat where in dim secrecy he is toiling in some carthshaking discovery. His laboratory is an aviary in which he birds to learn the technique of flying. His experiment when he puts his theories into practice costs him his life, but he has so hypnotized his disciple that the youth. follows in his master's footsteps.

Tanner has succeeded in casting a binding spell over the incidents of his script and has extracted commmendable performances from his principals.— Trevor Howard as the shabby seccerer and Mick Ford as the faithful pu-pil. The result is a film of uncommon artistry that holds attention throughout with its intrigning in-vention. It is in English at the Seint-Andre-des-Arts, the Balzac Elysees, and Les 14-Juillet Bastille,

10

4

Michael Mann's television film, "The Jericho Mile," an honest and moving account of the rehabilita-tion of a prisoner who trains for long distance running in the Olympics, introduced a young director of exceptional promise when it was seen at the Deanville festival last September. It is playing in Paris as "Comme un homme bbre," and is

among others.

The new Mann film, "Thief," is, alas, so lacking in the freshness, vitality and spontaneity of his initial try that it might be mistaken for the work of a regulation studio hand. It exploits the latest methods in blasting sound effects and has been produced at considerable expense, but it is hollow. An artificiality troubles almost everything that happens in its course, and its investigation of a hardened professional burglar's lifestyle is unnecessary and depressing information. James Caan impersonates its ruthless bandit head on and with

unrelieved monotony, and one soon tires of his presence and

problems. Neither he nor the com- the first order, but theatrically it plicated modus operandi of his robberies makes a compelling call on one's sympathy or interest. He is the stock movie gangster let cose again and inspected exhaustively. There is a brief, helpful bit by Tuesday Weld, an able comedian too infrequently on the screen.

"Thicf" is playing as "Le Soli-taire" at the Forum Cinemas, the UGC Elysees and Danton and the Magic Convention in English In the Cannes festival competition, it made no sur. The only encouraging news connected with it is that it is Mann's swan song to the underworld genre. His next will be a science fiction opus. Screen robbers and screen robberies have en done to death for the time being, and a moratorium should be

"Excaliber," John Boorman's re-telling of the Arthurian legend, suggests a fancy-dress ball gone wrong and skirting burlesque, with its mannered pomposity askew. Its pageantry has flair. Its "artwork," photography and costuming are of creaks like rusty armor. The laborious dialogue spreads

a dank gloom over the proceedings, and its players, reciting gro-tesquely highfulutin lines, seek desparately to rescue it from tumbling mto downright parody. They do not always succeed. As speciacle, it has pretty lines, but as drama it weighs a ton and clanks loudly. It is at the Hautefeuille Pathe, the Gaumont Champs-Elvsees and the Ganmont-Les Halles in

"Neige," by Juliet Berto and Jean-Henri Roger, an able pair of directorial novices, is a neo-realist study of drug traffic in Pigalle. It is almost of documentary design with its vivid camera-of-truth photography, but its script is fiction. The Montmartre milien, to judge by this report, differs only sartorially from the Montmartre of the turn of the century as caught by Tonionse-Lautrec's brush. Gaslight has been replaced by neon and carriages by automo-biles, but essentially it is the same



Trevor Howard and Mick Ford in "Light Years Away."

first full-length feature by its au- among other theaters.

The characters that compose the thors, "Neige" raises the curtain rogue's gallery the film spotlights on a duo of cinematic virtuosos, It might have stepped from the pages of Carco's "Jesus la Caille." The arritz and the Cluny Ecoles,

Jazz Festivals

Some Principal Dates on This Summer's Calendar

PARIS — Here are some highlights of the Enropean summer jazz festival circuit, which continues to grow in size and duration. The list includes high points of the programs, telephone numbers (and area codes) and the occa-

Paris (June 9-18): Bobino Theatre: Max Reach, Lester Bowie, Dave Brubeck, Mingus Dynasty and six other big names, one each night, in a prestigious Montpar nasse theater. (1-322-7484)

sional address where more infor-

mation may be sought.

Paris (June 16-19): Festival du Marzis at the Cafe de la Gare: "The Branches of Jazz" — Afro, Salsa, Gypsy, South Ameri-can and Enro-jazz. Highlight, on June 17: Gypsy gritarists Boulou and Elios Ferre, plus the versatile Argentine percussionist Martin Saint Pierre. (1-887-7431)

Plea, Italy (June 17-20): Ressoming trom-bonest Ray Anderson, Jumny Ginffre, An-thony Branton, Alexander Schlippenbach and the talented American expatriate bassist Barre Phillips. (504-8456)

Neurics, West Germany (June 20-21): Buro-jazz including Terje Rypdal, Joachim Kuhn, Miroslav Vitous, the British saxo-phonist and synthesizer player John Sur-man and the underrand Creek guitarist Pardolf Paral C. 62-75 Rudolf Danek (2-637-65-668)

Montreer (July 3-19): The 15th annual festival at this Swiss lakeside resert has caught up with its increasingly eclectic personality by dropping the word "jazz" from its title, but there's still plenty of it left. The assortment includes Salsa star Raty Barretto, Chick Corea, Mighty Clouds of Joy, James Blood Uner, Toots and the Maynalla, Ella Fitzgerald, Stray Cats, Arthur Elythe, McCoy Tyner, James Brown, Eddie (Clesabead) Vinson, Stephane Grappelli, Al Jarrean and Herbie Hancock, plus two rights featuring big bands from American nights featuring big bands from American universities. (21-61-33-84)

Veiden, Austria (July 3-5): John McLaughlin's new band, Art Pepper (can-didate for comeback of the '80s), Stan Getz, Memphis Slim, Dexter Gordon and more.

The Hague (July 10-12): The North Sea Festival is a well-managed, joyful super-market, with about 600 musicians performing in the Congress Center's nine halls for the hours each day. Dorothy Donegan, Os-car Peterson, Tito Puente, Frankie Dunlop, Lionel Hampton, Mel Torme, Trummy car reterson, Tito Puente, Frankie Dunloy, Lionel Hampton, Mel Torme, Trummy Young, Celia Cruz, Arnette Cobb, Ahmad Jamal, Kai Winding, Taj Mahal, Doc Cheatham, Scott Hamilton, Claude Luter, The Heath Brothers, Art Taylor, David Grisman, Luther Allison and so on; plus jazz cinema and video, jazz books, jazz T-shuts, jazz paintings, jazz snacks and jazz camping, (70-54-29-58)

Nice (July 11-21): Accenting tradition, corgo Wein's Grande Parade du Jazz takes place on three simultaneously running bandstands in the Cimiez Gardens from p.m. until midnight — a picnic more than a supermarket or even a concert, Clark Terry and the Basic Almuni All Stars, Richie Cole's Alto Madness, Cedar Walton, Woody Shaw, Teddy Wilson, John Lewis, Lightmin' Hopkina, Chuck Berry, Vic Dickenson, Buddy De Franco, Bob Crosby and the Bobcats, Red Rodney, Ira Sullivan — 250 musicians playing 231 concerts in 11 days. (Hotel Mercure, 2, Rue Halevy, Nice).

Names, France (July 11-18): Jazz in the arena with Dizzy Gillespie, Milh Jackson, Michael Breeker, Muhal Richard Abram, James Moody, James Newton, plus workshops and acument for fearless fans and budding jazzars. Everybody gets an ear. and budding jazzers. Everybody gets an ear. (Jazz Club, 45 Rue Flamande, Nimes.)

San Sebastian, Spain (July 15-19): Weather Report, Freddie Hubbard, Chick Cores and McCoy Tyner. (41-31-80)

Paris (July 15-22): Olympia Theatre: Lionel Hampton, Chuck Berry, Lalo Schif-rin, Flerbie Hancock, Basie Alumni, Dizzy Gillespie. (1-742-5611)

. * * * Antibes, France (July 17-25): Many of the Assures, France (July 17-25): Many of the names listed above, plus everybody's choice for the hall of fame, Gil Evans, Airto, Albert Collins, Albert King, Sarah Vanghan, Sadao Watanabe (No. I in Japan) and Martial Solal's big band, which sounds alarmingly like Stan Kenton. (93-33-95-64)

* * * London (July 18-19 and 25-26): Capital Radio Festival; Still more of the same names, in addition to British heavies like Thompson. (1-388-1288)

trumpeter Thomas Stanko, Finnish drummer Edward Vasela, Reggie Work-man, James Newton and others. (72-53-779)

William, Switzerland (Aug. 27-30): The season's finale, a big, avant-garde meeting in a small, picturesque Swiss town. Sun Ra Arkestra, Kent Carter's String Five, Sam Rivers, Rashied Ali, Pharaoh Sanders, Pat Metheny, Charlie Haden, Dewey Redman. (45-81-27-31)

The June issue of the French Jazz Magazine has a festival roundup with 150 biographies, practical details and a list of smaller festivals for which there is

- MICHAEL ZWERIN

Khomeini Signature Is Bought for \$800

United Press International NEW YORK - An anonymous

collector spent \$800 for the signa-ture of Iran's Ayatollah Ruhollah Khomeini at an auction in New York held by the Universal Autograph Colectors Club,

The price for Khomeini's signature, written on an envelope sometime after the religious leader assomed control in Iran in 1979, was * * * the highest ever paid for the signa-Molde, Nerway (Aug. 3-8). Joe Pass, ture of a living person.

really worked. Unlike the divas, both conductors are tight-lipped; and each has his own distinct and flourishing career.

at the helm.

beginning.

Still, there was some electricity generated by what might have seemed a Muti invasion of what, until a short time ago, was Abbado territory. Muti's "Figaro" would have been electric in any case. As he demonstrated a year or so ago, with a "Figaro" mounted in his regular theater, the Comunale in Florence, he has a deep affinity for this work and a remarkable capacity for creating his special Mozart sound, a compelling blend of deli-

William Weaver

MILAN — These are exciting days at La Scala. As the sea-

son draws to its close, the house is

presenting two of its most success-

ful productions of recent years, a

new staging of "Le Nozze di Figaro" conducted by Riccardo Muti, and a revival of the still-

splendid Zeffirelli production of "La Boheme" with Carlos Kleiber

Though Muti has conducted at

La Scala before, this time the pro-

duction was decreed especially for

director, Giorgio Strehler, from the

So, as far as the Milanesi are

concerned, this was Muti's Scala

debut. The newspapers and some

fans have tried to create a rivalry

between Muti and Claudio Abba-

do, along the lines of the famous

Callas-Tebaldi opposition of a generation ago. The ploy has not

Special Mozert Sound

nai Herald Tribune

cacy and power. That Florence "Figaro" was flawed by eccentric staging and inadequate casting. At La Scala, Strehler, assisted by the talents of Ezio Frigerio on sets and Franca Squarciapino on costumes, did Muti proud.

The Scala stage space was slightly reduced, in keeping with the inmate musical interpretations. Thus the singers did not have to make exaggerated gestures or excessive movements (though Sona Ghazarian, otherwise a bright Susanna, indulged in mugging oc-casionally). The complications of the garden scene were simply, ef-

fectively worked out.

Muti, when he wanted could make the Scala orchestra sound like a chamber group, and yet the climaxes never lacked impact. The pace was lively, but not rushed: The singers were allowed to enjoy their arias. Julia Varady was an aristocratic countess, and Wolf-gang Brendel (except for his faulty Italian enunciation) a handsome

count, at once dignified and randy. Though Samuel Ramey had a cold, he sang with what seemed unimpaired skill and acted Figaro with youthful, but happily con-trolled high spirits. The smaller parts were all excellently assigned, and Muti rightly opened all the cuts. Though the evening lasted

Opera in Milan

Muti Conducts an Exciting 'Figaro'

over four hours, it never seemed long. For "La Boheme," Kleiber, of course, had a larger orchestra and he produced a large, generous, ro-mantic sound. The tempos were broad and the great tunes swelled and filled the house. The thousand

cogent details of the Puccini score

were handled with attention and

understanding: a crystalline read-

ing, limpid as well as warm. Mirel-

la Freni has never sung Mimi with

greater style and feeling. The rest of the cast — Peter Dvorsky as Rodolfo and Leo Nucci as Marcello - was not quite on this level, but

was nevertheless excellent. Though almost 20 years old Franco Zeffirelli's production has held up marvelously and is a joy to see, even though, with time, some of the invention (especially in the Cafe Momus scene) has blurred. For the rest, this scene was notable for the precision and commitment of the chorus, obviously fired by Kleiber's coherent and enriching

Services

U.K.'s Universal Aunts: 60 Years of Know-How

New York Times Service ONDON - Packing a panda to Pamplona? Seeking a wilness for your imprompts marriage? Few tasks are beyond the scope of Universal Aunts, a battalion of 18- to 80-year-olds whose slogan "Anything for anyone at any time" has propelled them, in many people's eyes, into the ranks of British institutions.

For 60 years determined women and more recently men - have been tackling clients' requests to escort children around London, pack up houses, purchase obscure delicacies, find accommodations and answer questions on virtually any subject. Universal Aunts, which is at 36 Walpole Street, Chelsea, London SW3 (telephone 1-730-9834), advises customers where to find beraldry experts, how to dress for garden fetes and where to get their Gainsboroughs valued. It plans world tours as easily as it caters for banquets. The prices vary with the service.

In 1921 Gertrude Maclean, a London social figure and favorite aunt in her own family, founded Universal Aunts primarily to chaperone children during school bolidays while their parents were in colonial outposts. A year later the venture became a company and business snowballed. Now its staff numbers 400, including about 20

What to Say'

"People write us asking what to say to royals when they meet them at the summer's garden party or where to get pearls strung without having to go to an expensive jeweler," said Kate Herbert-Hunting, joint managing director.
"What we have is a lot of common sense information - and only the most up to date."

Home repairs can be set up. Au pairs, proxy mothers and secretaries can be hired. Sightseeing trips

are arranged as easily as discotheques are run. Queries de-manding professional attention are directed to experts.

A special division deals with the more bizarre requests: shipping a telephone booth to Milan, tracking down barbeque equipment large enough to roast an ox, flying a loaf of bread to Kenya, arranging for a young woman clad only in silver foil to emerge from a container as

Is there anything Universal Aunts refuses to do? "Aside from giving legal or medical advice. ending money and serving as a marriage bureau, we'll do anything, no matter how frivolous, so long as the client is prepared to pay our luxury fee," a spokesman said. "It allows us to play a bit of Robin Hood. This way we can afford to return an old lady's library



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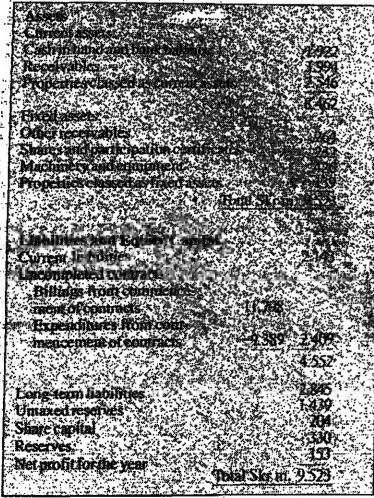
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INTERNATIONAL Herald Tribune

Page 6 Wednesday, June 3, 1981

The Bizarre Case of Lt. Cooke

The case of 2d Lt. Christopher M. Cooke, who reportedly wandered into the Soviet Embassy in Washington with classified information about the United States' most powerful missiles in his pocket, is bizarre to say the least. There is the possibility that Lt. Cooke was, as one of his former professors suggested, a Walter Mitty-like dreamer who was always in a fog and "could have walked into the Soviet Embassy and not recognized that the Air Force has rules against it." Could have. But is that the kind of man who ought to be assistant commander of a crew whose mission is to fire a missile that can destroy underground Soviet command posts and large industrial centers? And why bring the Titan data? To get the Russians to turn over some data of their own? Maybe. But that sounds pretty weird, too.

If Lt. Cooke was Moscow's agent, his behavior appears even stranger. Why, for example, did he deliver his payload to the Soviet Embassy? Dead letter drops may he the stuff of fiction, but what self-respecting spy would rendezvous at the embassy that employs him? No matter what kind of a dreamworld the young Air Force officer lived in, it seems unlikely that he believed he could enter the

embassy unobserved. In that case, perhaps he was an aspiring double agent. But, then, why all the confusion? Wby wasn't there a cover story prepared? Why all the fumbling about whether he passed Titan data or didn't? Why the conflicting stories about whether there would or

would not be espionage charges? Why the dispute over whether or not he has been given immunity? The only hint that Lt. Cooke might have been a toiler in the duplicitous and convoluted field of espionage is the fact that he was turned down twice for employment at the CIA. What better cover could he have than that?

There are a lot of unanswered questions about Lt. Cooke and his still unfathomable adventure. If it turns out that he is a dreamer, the question is how to tighten up the system to ensure that such charming but unreliable characters are kept out of the command structure of missile crews. If he was providing the Soviet Union with secret information, was he doing it for cash or conviction? If it was for ideological reasons, was there anything in his background that should have attracted the attention of his Air Force superiors? If he was carrying out a U.S. mission of some sort, who was responsible for the sloppioess that led to his exposure?

The simplest answer comes the closest to logic. It is that Lt. Cooke was poorly suited for his work. That is also the scariest answer. The men who fire missiles should be very carefully chosen. If Lt. Cooke is guilty of espiooage, he should, of course, be punished. If U.S. security was compromised, the damage, one hopes, has already been repaired. And if a Walter Mitty slipped through the system, there is a real oeed to find out bow

and close the gap fast. INTERNATIONAL HERALD TRIBUNE

The Coal Contract

The coal companies' sharply improved offer will probably end, after two months, the U.S. miners' strike. Question: Why did the companies increase their bid so sharply at a time when coal stocks are still comfortably high and when production in much of the United States has hardly been affected?

Ooe answer is the operators' interest in demonstrating reliability of supply to the oew foreign customers who are becoming extremely important to them. Another answer lies in the complex and delicate relationship between the companies and the United Mine Workers. The companies bave evidently decided to pay a premium to avoid bumiliating the union. The miners' rising confidence in the UMW over the past several years has brought a remarkable decline in wildcat strikes and coal-field chaos. That's worth a lot to their employers. From the companies' point of view, the new cootract is oot a bad investment at all.

But what about the oational ecocomy and the inflation rate? It is the wage pattern that carries the inflatioo along from one year to the oext. The miners' cash wages under this contract will rise about 9 percent a year. That's no more than the average rise for all American wages over the past year. But this contract will keep the miners moving up at that rate for the oext 40 months - in effect, throughout the remainder of this presidential

Those are only the cash wages. There are also the fringe beoefits. The much-disputed coal royalty payments into the union health and welfare funds, for example, will be continued and expanded after all. Fringe benefits, not only for miners but throughout the economy, are now rising much faster than cash wages. There's a simple reason: Most fringes are tax free, both to the employer and the employee. But, taxed or oot, it's real money and will turn up in the form of higher prices in the months ahead.

The government has begun publishing statistics on the total cost of compensation to employers. Wages, in the first quarter of this year, rose at an annual rate of 11 percent. Total compensation, including the fringes, rose at a staggering rate of more than 15 perceot. Part of it was the January increase in employers' Social Security taxes. But fringes like health insurance premiums were also rising. The trend in employee compensatioo

seems clearly to be upward. The Reagan administratioo's ecocomic theory assumes that tight restraint on the money supply must slow down the inflation by curtailing high wage settlements. The mincontract suggests that the assumption bolding in the coal industry. Nor, according to those dismaying figures on compensation costs, is it holding for the American economy as a wbole.

THE WASHINGTON POST.

Anomalously Angry at Libya

On the face of it, Libya's Moamer Qadhafi is giving a good name to the Reagan administration's campaign against terrorism. There is nothing paranoid about charges that Libyan gunmen have in the last year killed a dozen exiles in Western Europe and the Middle East. And it now appears that an American mercenary was hired by Lihvans to try to kill a Libyan student leader who turned against the Qadhafi regime. According to the FBI. 20 more students were on the colood's murder

So the administration was surely right in closing down Libya's mission in Washington and expelling 27 Libyan officials, a step just short of breaking relations. Brazen breaches of diplomatic cover call for an emphatic response. And it may be that Qadhafi is swinging wild because his decadelong grip on power is finally slipping. He certainly deserves to join his friend, Idi Amin, in that limbo where outrageous rulers sulk amid their bodyguards.

For the moment, however. Qadhafi has

also exposed a hole in America's anti-terrorist campaign, a hole big enough for a super-tanker to float through. The Libyan diplomats are dispensable, but the industrial world's appetite for Libyan oil persists; Libya's oil accounts for 10 percent of America's oil imports. Trade with Libya totals about \$12 billion a year. And Libyan oil is pumped from the sand with the vital assistance of several thousand American techni-.

Unintentionally, then. Western consumers help to pay for Libya's threatening foreign adventures. With American dollars Libya buys Soviet arms, which also made possible its assaults on neighboring Chad.

Oil is fungible, of course, and boycotts are notoriously ineffective. But that does not make the American links with Tripoli any less anomalous. The United States is still glued to Libya by its reed for oil and fully expects Libyan oil to keep flowing in as the expelled diplomats fly out.

THE NEW YORK TIMES.

Other U.S. Opinion

Voice of the People

Congress, for the first time in memory, actually seems to be listening to the American people, instead of listening only to itself. For years. Washingtoo [thought] only Washington knows how to solve problems and that the "people" just don't understand. After the landslide election of President Ronald Reagan, returning members of Congress ... sounded as if nothing at all had happened.

They lambasted Reagan's philosophy, intimated that he, like the people, just didn't understand how government works, and op-

erated on the assumption the "system" would run on as it always has. By Easter recess ... congressmen went back to their home districts [and] they got lambasted by their constituents. They got a message, in some cases very pointedly, that the voters expected them to cut the hudget as the presi-

But the novel part was that congressmen not only heard the message, but listened to it. The result: an overwhelming vote in favor of cutting the budget.

- From the Lynn (Mass.) Daily Evening

In the International Edition

Seventy-Five Years Ago June 3, 1906

EL PASO. Texas - As the result of a strike started by Mexican miners at Col. W.C. Greene's copper mining camp at Cananea, in the State of Sonora, Mexico, George MacDonald and his hrother are dead, two Mexican police are shot and 100 miners killed. The lumber yards have been blown up with dynamite by the raiders. Mexican troops are being rushed from Hermosillo hy Gov. Ysabel. Americans, armed with rifles, are demanding admission into Mexico from Naco, just across the border line, in order to aid Americans in the city of Sonora, Col. Greene's family has been sent on a special train to Naco. About 3,000 miners are employed in the mines, of whom the majority are Mexicans.

Fifty Years Ago June 3, 1931

ROME - With the Italian government apparently determined to keep the clubs of Catholic youth closed, speculation was rife here tonight as to whether the Pope might denounce the Lateran treaty and resume his voluntary imprisonment in the Vaucan. While the government's decision regarding the reopening of the clubs is still pending, intense anxiety prevailed in the Vatican. The Italian authorities maintained absolute silence except to admit that conversations were in progress. There is every desire on the Vatican side to prevent a break, but there is no hiding the fact that the dissolution of the Catholic clubs has made a very grave impression in the Vatican.



Poverty and an Indian Village

By Victor Zorza

Victor Zorza is spending the next vear hving in one or more Indian villages. The village in the article below is not named, because those mentioned feared that if it were. they might be harmed.

In the village I met Ravi, a bright 13-year-old boy with the eyes of a frightened old man. It was days before he managed to sneak out of the house to talk to me.

Every morning, he said, the farmer woke him at 5 o'clock and then went back to sleep. Ravi cleaned the cowshed and then grazed the cattle for the rest of the

day.

What days off did he get? Ravi seemed not to understand the question. Did he work every day? "Every day," he repeated dully. He got two meals a day, and two sets of clothes a year. He was wearing one set now. A dirty vest, torn shorts and the grubby towel wrapped round his shoulders against the evening chill

He had been bonded for a year, even though bonded labor is illegal in India. How did it come about? "My family needed the money. I had to do as my father said." How long would it last? He shrugged his shoulders. Didn't he mind? "My father wouldn't have done it if it wasn't necessary." He paused, "It had to be."

When he grew up, would he bond his own son? He examined my face for clues. Had I come to make trouble? No, he answered hesitantly, he wouldn't bond his own son. But he would say no

Fifty percent of India's population of 684 million live below the poverty line, and in other developing countries the proportion is o ten higher. These are the conditions that give rise to bondage, which can take many forms. I have been asked here: Why hurrow in the dirt, when India has thriving new industries, artificial earth satellites, impressive agricultural development projects?

Because, to appreciate India's progress, one must grasp the diffi-culties it had to overcome to achieve it. One must learn first how most of its people still live to understand what made Ravi's father do what he did.

Another week went by before Ravi's father agreed to meet me, At 48, he was an old man -emaciated, with lined face, grizzled beard, a ragged towel round his head. Why had he bonded Ravi? "For our livelihood," he answered resentfully. "We have nothing, Only our labor. This is the sixth year of the drought, so there's little

How much did he get for his son? Five hundred rupees (\$57). How did he spend it? "For our livelihood." he repeated.

Back to School?

When would Ravi go back to school? "At the end of the year. when I repay the 500." But where would be get the money. No answer. He looked cornered.
"The only way out is, somebody

clse will have to be bonded." he muttered hopelessly. "Maybe I have to go into bondage myself," he added angrily. And then, desperately, be asked: "What do others know of our problems?"

But Ravi's father had not told me the whole truth. He had said at

first that he had traded Ravi to ensure the family's "livelihood." In faci, the money was used to finance his eldest son's wedding. What makes a father do that? My first reaction was outrage that a child should be sacrificed to

pay for a passing family celebra-uon. But Dutta, Ravi's father, was puzzled by my questions. "Of course" he had to have money for the wedding. How else could you celebrate a marriage?

How was the money spent? "There were the clothes, ol course." What clothes, why "of course"? He ignored the question. What else, then? They had to feed 60 guests. Why did they "have to," if they couldn't afford it? What There are many varieties of about the simple marriage ceremony advocated by some of the social workers in the area? That's not for us poor people."

rich man's son, I was told, had been educated in the city, and then refused to have a "proper" ding. His first child died.

Dutta was beginning to resent the questions, but I persisted, "All right, then, we had to buy the jewelry, too." "Jewelry"

"Jewelry" was a misnomer. There was the gold-colored thread that serves the same function as a wedding ring in the West, but also acts as a charm. Then there was the toe-ring, to signify the wom-an's complete subjugation to her man. Then the nose-ring, the earrings ... each with a wealth of meaning, each indispensable.

To us, they may be trinkets. But they provide the woman's only ma tenal security if her husband leaves her. It is necessary to understand this before anything can be done about a system that con-demns Ravi and 24 million others

bonded labor, differing from one area to another, sometimes from one village to the next. But in es-sence the father of the family bonds his son — or, more rarely, himself - in return for a loan and sometimes the interest on it. The borrower is usually illiterate, often an untouchable, The high rate of interest or re-

peated additional loans drag the borrower deeper and deeper into debt, and the bond is extended, passing sometimes from father to

The bonded laborer must do any work assigned to him, lives either at home or with the master — usu-ally in the cattleshed — and is oot free to leave his village. Because bonded labor is illegal, records of the transactions are rarely kept. Because the laborer is usually illiterate, the master's calculation of the extent of the debt cannot be

The government's efforts to enforce the 1976 decree abolishing bonded labor can make little headway in face of the subtle threats. even more compelling than the de-mands of tradition, which are used to perpetuate the system.

The conventions have even caused problems for the U.S. Congress, which has not ratified a single one dealing with human rights - worried by their implications for the delicate division of power

France's Communist Dilemma

By Flora Lewis

land, support for the NATO Eu-

romissile plan and prudent, gradu-al application of economic reforms

they would seem deliberately im-

possible if the Communists weren't

so clearly in a bind and the Social-ists so overwhelmingly in com-

mand. But if election results sus-

min the present trend, the Com-

munists may accept almost any-

thing to claim at least a junior

The crucial problem for the So-cialists is to establish a sufficiently

calm and hopeful economic cli-

would be quickly disillusioned and

could swing back to the Commu-nists in protest. They will need not

only Communist votes in the legis-

completely?

The conditions are so tough that

behavior.

DARIS - The United States is making appropriately friendly noises to the new Socialist government of France. And they are reciprocated. But Washington has already begun warning that admission of any Communists to the government after the legislative elections this month would inevitably cloud the relation.

This is a reflex reaction. The question deserves a close look and a suspension of judgment until the circumstances can be dearly ana-

The setting is already visible. President François Mitterrand is launching a series of signals that his France wants to be a good ally. Even before he has a chance to give the message directly to President Reagan in Ottawa in July, his foreign minister. Claude Cheysson, will take it to Washington this

Mr. Cheysson has laid down a blunt line on any notions of neu-tralism. He was asked about the trend in Europe generally and in Britain specifically

'ti does exist in some places but in an old nation like that, it's stupefying," he answered, "Yes, there is a danger of neutralism, It means giving up, the sign of an im-mense fatigue. I despair of it. I see much tess of this danger in France. That's quite a remarkable sign of good health."

partnership.
Then why not freeze them out 'In France, Britain, Germany, at the European level and that of the Atlantic alliance," he said, "we have to know what we're about: respect for man, freedom When that is clear, then neutralism mate to deliver promised reforms, without which their electorate

Negotiations

Political negotiations have be-gun between the Socialist and Communist parties here, but on a very different basis from their er-stwhile alliance broken by the Communists in 1977.

Nonetheless, Mr. Mitterrand received Communist votes and knows he wouldn't have been elected without them. Now, his party will need Communist support to form a parliamentary ma-jority. But the Communists are even more in need of an agreement with the Socialists to retain a respeciable part of their 86 seats in the 491-member assembly. Current prospects are that they will lose as much as a third even if they do reach a deal with the Socialists This is a sea change in French politics. Both the Socialists and

brought another of those almost farcical reversals in Communist One member of the Politburo is campaigning for the assembly with election posters calling him a "candidate of the left" without mentioning his party. All Communist choice. But the bet has yet to be attacks on Socialists have suddenly won, and it will take a few years to see the outcome.

Nobody is fooled. The Socialists are likely to wait until after the first round on June 14 shows exacily how much the Communists have weakened before making a second-round hargain and considering the question of government Conditions

They have outlined some major conditions already. These include a firm stand against Soviet interention in Afghanistan and Po-

By then, however, they are likely

ban on Communists in govern-ment is the safest stand for France. Much depends on the terms imposed by the Socialists. They are not naive, and may know better than Washington how to keep France a good ally.
51981. The New York Times.

UN Labor Watchdog Welcomes Walesa

ment, and the added muscle they

During the last two years, this ILO machinery has been tested by a series of controversial investiga-

tions against labor abuses in the Soviet Union, Poland and Czecho-slovakia. The Russians were

accused of suppressing the free un-

ion of Soviet workers and the in-

terprofessional union (SMOT), the

Poles, of putting down the workers committees (KOR), and the Czechs, of discriminating against the signatories of the Charter 77

manifesto.

The result cannot really be eval-

uated without reference to the two major events in contemporary ILO

history: one, thankfully past, the U.S. withdrawal in 1977, the sec-

ond, yet to come, Mr. Walesa's ap-

Mideast Missions

Henry Kissinger, it will be re-called, pulled the United States out of the ILO for three reasons.

First, there was the series of "polit-

rust, there was the series of pontical" resolutions against Israeli practices in the occupied territories without even the semblance of a first-hand investigation; second, there was anger at the fact that the H O's human rights machinery had

ILO's human rights machinery had not been employed in defense of labor in Eastern Europe, and third,

there was a feeling that the lack of

independent trade unions and free

enterprise in Eastern Europe made

nonsense of the ILO's "tripartite"

structure, which brings together-unions, governments and employ-

But the ILO has now acquire

itself well on all three counts ILO.

missions have visited the occupied territories for four years. Their lat-est report indicates that while the

living standards of Arabs have

risen, occupation has turned the territories into a satellite of Israel.

As for human rights, what better

iswer than the presence of Lech

Walesa? He comes as head of the Polish union contingent to the ILO

conference, showing once again that the Polish government accepts

Solidarity as a genuine representa-tive of Polish labor. Not only does this confirm the ILO's "tripartite"

structure, it reaffirms the agency's

It was Solidarity itself, during the first exuberant days in Gdansk last summer, which stressed the obligations undertaken by the Pol-

ish government when it ratified

ILO Convention 87 on freedom of

association — and Solidarity which used it as a yardstick in the

subsequent negotiations.
Since then, a steady stream of senior ILO officials have visited

Poland with advice on new labor

legislation. The result is a draft law

that goes even further than some ILO conventions, by allowing for the right to strike.

No one would suggest that this is all due to the ILO, but (officially the new Polith labor law).

at least) the new Polisb labor law is

seen as one of the many changes

made since 1963 in response to

ILO pressure. Poland is an answer

vincing answer is still needed, to

judge from U.S. representative at

the United Nations Jeane Kirkpa-

trick's severe comments on the

ILO at congressional hearings on

The skeptics are already point-

ing to the inconclusive end to the

ILO investigations of Czechoslova-kia and the Soviet Union. In

Czechoslovakia, Charter 77 mem-

bor - because members of collec-

uve farms are not free to leave and

seek employment elsewhere and

because Russian "parasite" laws mean a man can be arrested for

vagrancy if he refuses to take the

job offered to him. This year, the

experts have again complained at

the subservience of unions to the

Communist Party.
This dialogue is long, laborious and unspectacular, but at least it

takes place, at a time of dangerous

East-West tension. The ILO de-

serves encouragement, and President Reagan could do worse than push for the radification of ILO

conventions in the United States

-- conventions that are fundamen-

tally compatible with U.S. values. 01981, international Herald Tribune.

to the skeptics -

role in human rights.

pearance here this week.

C ENEVA — This week, the Polish trade union leader Lech Walesa will address delegates between states and federal governat the annual conference here of the International Labor Organiza-

non (ILO). That a man of Mr. Walesa's stature should be appearing in Geneva when the situation in Poland is so fluid is a fillip for the Umited Nations system, at a time when UN agencies are under attack from their Western members for

inefficiency and waste.

It will be doubly welcome in the ILO itself - an organization that has still not recovered (either in terms of hudget or morale) from the two-year absence of its largest contributor, the United States. Mr. Walesa's visit has profound

implications for the agency's work,

particularly in human rights.
The ILO is the UN's labor watchdog. Among its concerns are occupational diseases and acci-dents at work that kill and main thousands each year, the fact that throughout the world no less than 55 million children under the age of 15 are working, the abusive treatment meted out to many of Western Europe's 13 million mi-grant workers and their families, who contribute to national wealth but are often denied pensions, un-employment and sickness benefits, and the continuing struggle of black trade unions to assert themselves against apartheid in South

Basic Needs

In addition, the ILO has contributed toward employment creation in the Third World, where I billion people live in destimnon. Four years ago, it began to urge governments to concentrate on providing for "basic needs" such as shelter, food and clothing. This, it suggested, would fuel demand in the villages of the Third World which would eventually benefit even Western exporters. This is the same theory of "global interdependence," of course, that forms the backbone of the Brandt Report.

All this is important, but what really sets the ILO apart is its human rights machinery, which is the oldest and most tested of any international organization. It takes the form of 153 labor conventions. Among the most important are those on the minimum working age, on the right to form and join free trade unions, and on collective bargaining. A new one due to take effect in November concerns work-

ing conditions at sea. In recent years these conven-tions have resulted in endless skirmishing. They have been openly attacked by many Third World governments, led by Malaysia and Singapore, which fear they will en-courage British-style labor militan-

cy and ruinous wage demands. They have been savaged by the Soviet Union, which argues that the notion of a free trade union, whatever its relevance to the individual political freedoms that underpin Western democracy, has no place in a Socialist system that caters to broad ecocomic rights of

Communists know it, and it has lature, but reasonable tranquility

bers are still unable to find work, while the Russians blustered and bullied through two years of ILO. in the factories and the streets. probing into the fate of self-styled The right is predicting agitation trade unions. and chaos. Mr. Mitterrand's victo-This lack of movement in the ry was largely a bet by the voters that France need no longer be par-alyzed between fear of Commu-Soviet Union is dismaying but the pressure continues. In the next four weeks here the ILO confernism and absence of political ence will digest the conclusions of a standing body of 17 legal experts who regularly review all ILO conventions. In the past they have accused the Russians of forced la-

There is an argument to be made that a few Communists in nonsensitive jobs inside the gov-ernment will hold the party hostage against provocative conduct for some time. Eventually, it is probable that the Communists themselves would pull out and seek to redefine their party as the real opposition to exploit grievances that will inevitably arise n the hard times ahead.

to have sunk even further in popularity and influence. There are tactical problems for the French Socialists. But the strategic question which should interest the United States is which approach is most likely to promote and solidify the decline of the second largest Communist party in the West.

The last election is never the end of politics. The aim now should be to confirm and prolong the funda-mental shift in France away from the soured heritage of World War II and occupation, which brought the Communists their special aura.

It isn't all that obvious that a

The International Herald Trine international nervae introduce welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be confident for letters will not be considered for publication. Writers may request that their letters be signed only that their letters be signed only with mitials but preference will be given to those fully signed and bearing the writer's complete address. The Herald Tribune cannot acknowledge letters sent 10 lke editor.

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Katharine Graham Arthur Ochs Sulzberger Co-Chairmen

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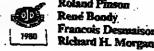
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The voters have shown a strong sense of

PORTUGAL

outcome of the struggle in

Spain is sure to be felt in Portugal.

By Ken Pottinger

ISBON -- Portugal's democracy turned 7 carlier this year, and there were plenty of glasses raised to its continuing good health. While it is true that the previous oppressive regime retreated only in the face of tanks commanded by leftist troops disenchanted with co-lonial wars, the country has settled down re-

lonial wars, the country has settled down remarkably well.

The Portuguese have sought an admirable balance in national affairs, hedging their bets against any overly bold political initiatives from either the left or the right. They confirmed this trait in 1980 by swinging overwhelmingly behind the ruling conservative government in elections in October, and the incumbent moderately center-left president in a bellot two months later.

This power-sharing while demonstrating the electorate's desire for political equilibrium, threatens institutional deadlock because of opposition to the president from the government.

With its 18-seat majority gained in the parli-

with its 18-seat majority gained in the parliamentary elections, the Democratic Alliance composed of Social Democrats, Christian Democrats and Monarchists, campaigned relendessly against President Antonio Ramalho Eanes, seeking a sharp rightward swing. But fate stepped in Premier Francisco Sa Carneiro, the leader of the anti-Eanes campaign, died in a plane crash on Dec. 4. This ensured died in a plane crash on Dec. 4. This ensure

Lisbon Mayor **Transforming** Old Capital

By Mary Castanheira

ISBON - The capital, according to its Abccassis, will be unrecognizable in five years.
His words are intended to herald drastic changes for this ancient town. But for some, the words are a nightmare. Conservationists and some government departments are up in arms over the mayor's plans to transform Lisbon into a grand metropolis on the European

His critics say that the 51-year-old Christian Democrat is bent on applying cold industrial management techniques to a fast-growing ur-ban center while ignoring its historical and cultural soil — not to mention the tourists. The charm of Lisbon, according to many visitors, is its unspoiled provincialism, its magnificent scenery and its architectural integrity.

Mr. Abecassis, a trained civil engineer, said:

"I want to combine the ancient with the modern needs of this city, making it a pleasant place to live in, like Rome." For most people, however, the only resemblance between the two capitals is their being built on seven hills, but this does not stop Mr. Abecassis.

Despite growing opposition to many of the mayor's ideas, town planners acknowledge that his slum clearance scheme is a major breakthrough. Mr. Abecassis recently announced a program to rehouse 169,000 residents of slums, degraded housing or buildings threatening to collepse. Thirty-thousand of these live in sprawling slums close to the city center, and priority is being given to a crash building project of satellite towns estimated to cost nearly \$40 billion. The plan is to complete the building in 10 years, and tenders for the first phases have been awarded.

To meet these huge costs, Mr. Abecassis has devised a scheme using city-owned land and private building contractors. The builders are allowed to develop 85 percent of this land for



Premier Balsemao (left) and President Eanes

The death also thoroughly demoralized the government and tens of thousands of support-ers. Six months later, this is still felt. But hard-line rightists in the Alliance are still attempting to manipulate the circumstances surrounding the crash, and use any other available ammuni-

Balsemao. Essentially, they disapprove of his position on the left of the Social Democratic Party and of his more coociliatory approach to the head of state.

Mr. Balsemao, a former newspaper editor, lawyer and founding member of the Social

alition), has taken longer than anticipated to make his mark on the country. But the histus has apparently been deliberate, and serves to differentiate his style from that of his combat-ive predecessor. Nevertheless, Mr. Balsemao's critics claim that Cabinet performance has been so lackluster that the government has be-

A SPECIAL SUPPLEMENT

In counterpoint, the Communist opposition is calling stridently for Mr. Baisemao's dismissal on the grounds of "undemocratic" rule.

The premier's attitude fits the government's philosophy of lowering tensions and pressing ahead with its four-year program, and there seems little doubt that the Alliance will remain in power for its elected term. Less certain is the future of the premier and his Cabinet, who may find themselves unable to withstand the moves against them.

Internal events are not the only ones marking the political scene. The unsuccessful compine February in Madrid has raised fears that a successful military takeover there would cause dangerous turbulence for Portuguese democra-

Political and social events in the Iberian Peninsula have always to some extent been related, from the days when the royal houses were lighting for control of the kingdoms. The two Iberian dictatorships of this century had a formal pact, and the Portuguese revolution in



LISBON LANDSCAPE: A mass of new buildings towers over shanties

rehouse needy families in low-cost, fixed-rent housing. With municipal elections scheduled for 1982, the mayor, elected for three years, is determined to start his building program by Jan. 1. He has also outlined plans to modernize transportation, garbage collection, waste treatment, roads and sanitation networks.

The fiercest criticism has been aimed at several controversial schemes involving historic Lisbon monuments and areas of national pa-

trimony. State officials concerned with pre-serving the country's heritage have clashed with Mr. Abecassis over at least two projects in the city, and are hastily compiling a list of buildings and areas to be preserved at all costs. Urban planners say that projects to build skyscrapers and central shopping malls are unworkable and will scar the capital.

One of the mayor's biggest battles is over his plans to alter Lisbon's Moorish St. George's castle, built on a hill above the Tagus estuary

to defend Lisboo against invaders. Workers are excavating medieval prison cells and a Moorish water cistern for cheese and wine bars, which the mayor hopes will liven up the

The mayor is not put off by the criticism, and he seems to believe in the fait accompli, moving fast once he has decided to do something. His critics so far have taken a lot longer

castle after dark.

Rapid Changes Bring Concern for Environment

ISBON -- The drive to modernize Portugal in anticipation of its entry into the European Economic Community will bring major changes to urban and rural areas, and there is growing concern about the ecological impact of new industries, nuclear and other energy

projects, and mass building schemes.
Under pressure from the Monarchists, who are minority partners in the ruling coalition. the government created a ministry concerned with the quality of life, which was led by a Monarchist, Augusto Ferreira do Amaral.

The government wants to ensure that, by the time Portugal enters the EEC, there will be a set of regulations on air and water pollution. The policy will be to make the polluter pay.

- The government announced on May 31 that Mr. Do Amaral, along with a colleague, had resigned from the Cabinet and was being replaced by Joao Vaz Serra de Moura, also a member of the ecology conscious Monarchist

Mr. Do Amaral resigned in a row over the management of the state-owned national television service and other problems facing his ministry, which is concerned with state media, youth and environment. Political sources said, however, that the change would not alter the

fundamental policy of the ministry.

Mr. Do Amaral, before he stepped down, said that that the most pressing problems would come from the ceed for the government to make a decision this year on ouclear energy.

Portugal, strapped for natural energy resources and dangerously dependent on costly oil imports, will probably go for ouclear pow-

er. But Mr. Do Amaral warned that the Monarchist Party was pressing for a national referendum, despite the present lack of consti-tutional machinery to do this, and would call for a full public debate in parliament before any decisions were made.

Meanwhile, opposition to Spanish plans to build a series of nuclear plants near the border is growing in various parts of the country. In the northeastern provence of Tras-os-Montes, the people of the border town of Miranda do Douro are up in arms, along with Spaniards across the frontier, as the Sayogo power plant nears completion. .

The Portuguese say they fear the effects on wine cultivation of hot-water effluent in the Douro River. And, like the Spaniards across the border, they fear a nuclear accident.

This growing agitation is certain to affect any Portuguese attempt to build nuclear power

The enormous costs of building a plant (about 1 billion escudos) and the 10-year period before it is operational are also factors being weighed by the Cabinet.

The Junta da Energia Nuclear, an official body established more than 10 years ago to study the issue, is convinced of the efficiency and inevitability of nuclear reactors in Portugal. It believes that the nation's size and its lack of any but bydroelectric resources point inexorably to nuclear energy as the cheapest

The junta calculates that three plants would be built once the government makes up its mind, the first requiring between 10 and 14 years before starting up. France, the United States and West Germany are known to be lobbying for construction contracts, but the Portuguese have not yet indicated a prefer-

The junta is not overly concerned about the problems of waste, believing that storage can be arranged, but it is strongly opposed to dumping these wastes in the sea, mainly because of Portugal's dependence on the sea for food and tourism.

Planning Scheme

Apart from the nuclear question, the ministry is responsible for drawing up and implementing Portugal's first national planning scheme, which will eventually zone the entire country for various types of development and preservation. A pioneer scheme is nearing completion in the area south of Lisbon, while a similar scheme for the Algarve is in an ad-

Unanthorized Construction

Mr. Do Amaral said that these plans would enable the authorities to put an end to a rash of clandestine and unauthorized construction in populous areas. They will also lead to a balance between the demands of new industry and the recreational needs of people. Natural parks and preservation areas will be clearly de-

The government wants to ensure that, by the time Portugal enters the EEC, there will be a set of regulations oo air and water pollution.

The policy will be to make the polluter pay. The Tagus River and other main rivers, which are chronically polloted by industrial and

human waste, are being tested.

Air pollution already is controlled in five main regions, an attempt to inhibit the worst effects of industrial air pollution; other zones are being studied.

More importantly, the ministry intends to push for the control of coastal pollution in the main tourist areas - the Algarve and the Lisbon coast. A commission is studying the Algarve's infrastructure oeeds, but the enormous capital investment required to build sewer treatment plants and install drains is inhibiting

- KEN POTTINGER

Parity With EEC Dominates **Economic Planning Targets**

ISBON — When Finance Minister Joao Morais Leitao presented his budget earlier this year in the Portuguese parliament, be said that its main thrust was to prepare the nation for membership in the European Economic Community. The budget was aimed at growth to help close the gap between the levels of development in the EEC and in Portugal.

Along with the budget came the government's proposals for a medium-term plan, the first such document drawn up since the revolution, and a cornerstone for orderly future de-

Oporto

Santarem

Évora

Coimbra A

tion, and a cornerstone for orderly future development. Government planners aim at a European model for the Portuguese ecocomy summed up in a policy of ample private initiative coupled with social justice and regional development. There are also proposals to modernize industrial processes, increasing prodoctivity and competitiveness.

The reconstruct objectives of the 1981 1984

The economic objectives of the 1981-1984 plan are condensed in these highly ambitious, and perhaps impossible, figures: The gross national product must rise by an average of 5 percent a year; gross fixed capital formation is targeted at an annual rate of 8 percent; exports must rise 8 percent a year, with imports not to exceed 5.1 percent; domestic consumption is to average 5 percent, although in the particularly backward agriculture sector there must be an 18-percent annual growth; real salaries are to increase 2.5 percent a year while inflation is to be gradually reduced from about 17 percent to a francourse of 13.5 percent, the overto a four-year average of 13.5 percent, the present European average.

Over this medium term, the current account deficit — \$1.2 billion last year — will be allowed to rise steadily to \$2 billion in 1984 as long as oil price increases do oot exceed 15 percent a year, a vital point in a country importing 83 percent of its energy needs.

The planners also hope to reduce umemployment — now at 8 percent — 250,000 jobs through investment and improved 250,000 jobs through investment and improved nt - now at 8 percent - by creating training. The national minimum salary, oow

Exchange rate: SI = 61.48 escudos

9,000 escudos a month, will be updated annually by the year's inflation rate. So the per capita income is projected by 1984 to increase from \$2,070 a year to \$4,155.

The ambitiousness of this project to transform Portugal into a competitive EEC partner in four years must be viewed against the background of a world slump, the high cost of fuel and a probable zero growth rate in the member countries of the Organization for Eco-nomic Cooperation and Development.

Nevertheless, 1980 was Portugal's most suc-

cessful year. Productive investment grew 9 percent. Foreign investment, starting from a min-ute base after the 1974 revolution, has doubled each year to reach \$200 million in 1980, with 68 percent of this destined for new companies or expansion of plants. Remittances by emi-grants and receipts from tourism — the two major sources of foreign currency — reached records at \$2.2 billion and \$1.1 billion respectively. Inflation dropped to about 17 percent while real export earnings were up by 7 per-

The country's financial position looked reasonable bealthy at the end of the year, with all but I percent of its 700 metric tons of gold reserves (valued at \$10 billion) pledge-free, and about \$4 billion worth of hard currency

and about \$4 billion worth of hard currency reserves tucked in the national vaults.

This turnaround is remarkable when viewed against the country's recent history. Since the coup in 1974, Portugal has had five years of political turmoil, 12 governments, stopgap ecocomic measures and a tough austerity program in 1977-1978 imposed by the International Monetary Fund. This resulted in a reversal of a \$1.5-billion current account deficit in 1977 to a \$50-million surplus in 1979. As an economist a \$50-million surplus in 1979. As an ecocomist put it, "The IMF program for Portugal was one of the most successful ever devised. It actually worked."

The buoyant financial situation has attracted loans from international bankers, Competi-

'Planners aim at a European model for the economy ... ample private initiative coupled with social justice and regional development.'

is is so ficici has been able to oegotiate some fine interest margins on recent Euromarket loans. And the loans are now guarantee-free, unlike six years ago, when Portugal was obliged to book half its gold reserves in a desperate bid to feed in

population.
The World Bank estimates that Portugal's current strengthened economic situation merits enough confidence to enable it to run an annual current account deficit for the oext five years of \$1.5 billion, a comforting thought for the Lisbon finance officials, whose develop-ment plans may well lead to such figures. A central bank source went as far as to say that Portugal was able to handle a large balance of payments deficit — possibly as high as \$2 bil-lion this year — without being in danger of

returning to IMF-type austerity.

The reasons are that its linancial managers have the expertise and resources to deal with this level of debt and that the deficit is financing productive investment — oot, as in 1977, food import bills and loan interest.

Nevertheless, the medium-term plan faces several conditioning factors. Because Portugal depends heavily on imported materials and machinery to produce its exports, the trade gap is likely to widen significantly uoder the push for development. At the same time, rising imports will bring increased imported inflation that will curb the benefits of the improved growth rate.

The difficulties of aiming for expansion during a worldwide recession are illustrated by the sharp volume drop in Portuguese exports last year, down from 23 percent in 1979 to 8 per-cent in 1980. The government aims to main-tain this lower level in 1981 despite admitted difficulties in selling Portuguese products abroad, especially vital textiles.

- KEN POTTINGER

Brazilian TV Serials Altering Accents and Culture

By Martha de la Cal

Lisbon — A common complaint these days: "Our people are forgetting their language. They are all becoming Brazilians!"

In the last seven years, since the National Television Co. bought its first telenovela, (television serial), "Gabriela," from Brazil's Globo Productions, Brazilian slang, songs, dress and accents have been overwhelming

A Portuguese television producer said, "It was like Dr. Faustus calling in Mephistopheles and then not being able to get rid of him. The Portuguese television company brought in the Brazilian telenovela and now they can't get rid of it. Everyone looks at it every day. They can't help it. They are hooked."

Not long ago, people began to ask, "Why don't we have a Portuguese telenovela?" Even the government has become concerned. But Portuguese television is usually short of money, and it has neither the equipment nor the facilities to produce such a television serial - which would cost eight times as much as it does to rent one from Brazil. Therefore, the television company has decided to call in an independent producer, Thilo Krasmann.

Mr. Krasmann, 48, was born in Germany but has been involved in music, radio and television production in Portugal for the last

Tendent once in the state of the second of t

25 years. He studied music in Trossingen — the home of Hohner accordious — and be-came a music teacher like his mother. His father was a musician, and his band played on board Bremen ships between Germany and the United States. Thilo Krasmann came to Portugal to teach music and later formed a group, Thilo's Combo. "When I got too old to be playing around clubs, I went into producing," he said.

He oow has his own company, Edipim, which produces everything from advertising jingles to television series with 20 to 30 epi-

Portuguese relevision chose him to produce a telenovela because of one of his recent comedy series, starring comedian Nicolan Breyner. The show ran for 28 weeks and featured a takcoff of the Brazilian telenovela. Mr. Breyner portrayed a Portuguese emigrant who returns to his hometown in Portugal and finds to his bewilderment that everyone speaks and acts like Brazilians.

The contract has not yet been signed, and there is still opposition to its being given to an independent producer, but Mr. Krasmann is making plans and would like to have his telenovela ready when the latest Brazilian one finishes in the fall.



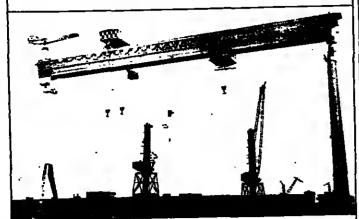
Producer Thilo Krasmann

taking daily polls to see how the public wants the story to evolve. The Brazilians produce an episode per day, but we will start out doing one every two days. Producing these serials is not sophisticated art. The director must realize that he is just putting on a picto-"We will use Brazilian methods, such as rial story that everyone can understand. We figure we can produce the whole telenorela in 300 days at a cost of \$1 million," he said. Most of the series will be shot on location a small palace in Sintra and a farm near Lisbon - because there are not enough studios to store the sets.

Mr. Krasmann has a story outline, and the writing of the preliminary script has been given to radio and television serial writer Odette de Saint-Maurice. "The story takes place in Portugal now and deals with typical Portuguese problems of emigration, labor disputes, lack of housing, religion and conflicts between generations," he explained. "To assure a real Portuguese flavor, some of the main characters will be a worker in a sardine factory who had been an emigrant io the United States and later in Portugal's former African territory of Angola, and members of the factory owner's family. Several love stories will run through the plot."

He expects a oegative reaction to the early episodes from viewers who are accustomed to the Brazilian product. "People will be saying. There is something wrong. This is out taking place in Rio, and the people are not speaking like Brazilians,' but we think we can get them to accept a real Portuguese telenovela if we follow the formula and the story moves,"

MAGUE



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Shift from Africa: 'We Are European'

ISBON - Engineer Antonio Vasco de Mello, the 50-yearold founder and president of the Confederation of Portuguese Industry, does not belong to a politi-cal party, but he admis that if he did it would be the Monarchist

With reason. He is descended from royalty on both sides of his family. His mother's family were the O'Neils, members of the Ulster Irisb Catholic royal family, who fled to Portugal in the 17th century. His father was the Portuguese marques de Sabugosa, grandson of the historical writer, the count of Sabugosa, a founding member of the literary group Vencidos da Vida along with novelist Eca de Queiroz. Mr. Vasco de Mello is the count of Sao Lourenco. "We have not taken part in politics since the kings disappeared from Portugal,"

He did, however, take an active part in opposing the leftist take-over of Portugal following the 1974 revolution and in preserving the concept of a free market economy by forming the 47,000-company-strong Conferation of Por-tuguese Industry — an organiza-tion similar to the American Chamber of Commerce - which acted as a pressure group and cre-ated an image of strength for private industry to combat worker takeovers of factories and state control of industries.

"We kept the message of market economy alive so that it could make a comeback. It is still not re-

stored completely, but we are near er than we were," be said. Mr. Vasco de Mello is relatively satisfied with the government of Premier Francisco Pinto Balsemao, but he would like to see it take more concrete steps to help

private industry. "This govern-ment must change the structure of the labor laws and define the limits of state and private sectors to show us their intentions are serious," he said. "They are making good mu-sic, but is is still only music."

He was educated in Lisbon as a mechanical engineer, then went to Germany and Austria for practical studies in steel manufacturing areas. Back in Pormgal, he went to work in his family's company --Companha Portuguesa de Trefilaria, which produces 60,000 tons of wire and wire products a year, employs 700 people and now bas annual sales of \$40 million.

When Mr. Vasco de Mello was not at the company, be was sailing. He sailed in the U.S. World Championship in 1963, in North Africa in 1964 and in the Olympics in Mexico in 1968.

The family company weathered the revolution virtually unscathed. Mr. Vasco de Mello attributes this to the fact that they maintained good relations with their workers:

We bad always been liberal with
our workers. By 1967, we had alportunity for trade in Africa—but ready named a workers' commit-



Antonio Vasco de Mello

there was no reason for them to try to take over.

He wants to see Portugal join the European Economic Commu-nity rather than look toward Africa as it did before it lost its territories. "We must become part of Europe. Before now we didn't know if we were a small European country with large African holdings or a large African country with a little bit in Europe. The choice has been made for us. We are Europe-

-MARTHA de la CAL

Eanes: Focus on World Role

ISBON - Antonio Ramalho Eanes, an austere army general who was re-elected in December for a second and final presidential term, is well-briefed, keenly interested in international politics and a hard worker. .

Lean and unexpressive, the 46year-old general — who shot to prominence for his key role in stemming an attempted Communist coup in 1975 - was re-elected with 56 percent of the vote. He was backed by the Socialists and unofficially by the Communists and part of the governing Democratic Alliance electorate, dealing a severe blow to the conservatives attempts to control both the government and the presidency in Portugal's power-sharing system.

In an interview, the moderately center-left head of state praised Portugal's progress toward consolidating its democracy, which ended nearly 50 years of dictatorship in 1974. The president believes that Portugal is calmly making, the transition from the world's longest-surviving colonial power to a candidate member of the European Economic Community.

Strongly in favor of member-ship, President Eanes would like to see some of Portugal's "personality," as he described it, incorporated in the move, "Portugal's cultural and historical traditions could make an important contribution to the Community," be said.

He sees economic development as a priority, but he warned that this necessary modernization should not obliterate Portuguese traditions. He also stressed the need for greatly improved educa-

tional opportunities and more widely based political activity.

In summing up his first five years in office and the period ahead, the president expressed satisfaction at the way democracy was taking root and called for its
"dynamic" extension to all levels
of national life. While admitting that recent upheavals in Spain, especially the unsuccessful coup in

February, were worrying "because

The president says that balanced military strength between the superpowers is necessary for world peace. But he also urges a balanced, progressive arms

events in the Iberian Peninsula, tend to be interrelated," he expressed confidence that democracy was workable in both countries.

reduction.

Discussing the state of relations between Lisbon and Washington, the President stressed the benefits of continued U.S. aid to Portugal and the warmth of the links, undState Alexander M. Haig. But Gen. Eanes cautioned that the evolution of these ties would be condi-

tioned by Portugal's position as a budding member of the EEC. Turning to President Reagan's bard-line policies toward the Soviet Union, the president called for a balance of forces between the superpowers to preserve world peace.

"A balanced arms deterrent, especially in the European theater, is necessary," he said. But Portugal also supports a lowering of ten-sions between East and West, and Gen. Eanes urged a conscientious implementation of the Helsinki accords. "In this way," he said, "a balanced and progressive reduc-tion in arms leading to global peace" can be achieved.

He reaffirmed Portugal's long-standing commitment to NATO, of which it is a founder-member, but criticized the organization for not delivering on promises to help re-equip and modernize the Portuguese armed forces. "We expect as a full NATO member to take part in its decisions, meet its costs and receive its benefits," he said, adding that Portugal's 15 years of experience in the African wars was something that NATO had yet to

take advantage of. The president strongly criticized interference in other nations' internal affairs, rating this as one of the world's most pressing problems.
"Direct or indirect interference by foreign forces or foreign states in individual countries" has to end, he said. He emphasized the need to try to improve the distribution of wealth between the developed and developing nations, however.

—KEN POTTINGER

Portuguese Democracy, 7 Years Later: Sense of Balance Prevails

1974 helped to push Spain toward democracy. Nevertheless, Por-tuguese leaders repeatedly affirm that their democracy is firmly root-

The domestic situation is stable. The military are tightly controlled and almost completely removed from their political position of seven years ago, when they overthrew the 48-year-old dictatorship. For the first time also, the coun-

try has a majority conservative

government with a mandate to rule

There is a fierce determination to make democracy work, and a remarkable structural stability bas emerged despite the political upheavals that followed the revolu-

tion. The Portuguese bope that this, and a little help from their friends, will ensure that the system

Yet most commentators in Lisbon warn that a rightist military takeover in Spain would place heavy strains on Portugal, partly because of the common border and the increasing arrogance of the vociferous Portuguese extreme right. If there were a coup in Spain, attempts would probably be made to speed up Portugal's entry into the European Economic Community as a way of linking the country firmly with the rest of Eu-

Meanwhile, the government,

apart from trying to calm the Alliance's right wing, has several prior-ities before it. First, it is preparing for the fundamental revision of the 1976 constitution, a task to be studied by a special parliamentary committee in extended session in

The present charter, a confusion of programmatic Marxist ideas conceived during the revolution, can only be reformed with the support of two-thirds of the deputies. All the signs point to a deal that will ensure support from the major opposition Socialist Party for the Democratic Alliance's proposals.

The quid pro quo will probably center on government backing for · Remove blocks on opening a bid by Socialist leader Mario

certain following the crushing defeat of Mr. Soares' opponents at the recent Socialist Party congress and the success of his close ally, Francois Mitterrand, in the French

The government wants to make the following basic changes in the constitution:

• Remove references to Marx-ism or the obligatory transition of the state to a Socialist workers' re-

· End any institutionalized military supervision of the civilian de-

Soares for the presidency in 1985 nationalized sectors of the econo-- a bid that has become almost my to private enterprise and reorganizing Communist-dominated agricultural areas in favor of individual tenant farmers:

· • Include necessary references to the application of EEC law when Portugal becomes a member, and to the decentralization of the national administration.

Keen to Alter Balance

The government is also keen to alter the balance of the worker-weighted labor legislation, to allow private radio and television stations, to operate public and private medicine in parallel, and to encourage the growth of private schools alongside the state system. A second priority is to resolve

olution, an outdated military body that was charged with keeping Portugal on the revolutionary course after the coup. There is agreement, even among its members, that it: must go, But this can only happen once the constitution has been revised and a formula found to divide its powers between parliament and the president, or to create something like a council of state. Thus the argument over how to dispose of the Council is likely to continue most of this year.

While this major reorganization of institutions is taking place, the government's four-year program must be implemented if Portugal is to withstand the shock of EEC entry in 1984.

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PORTUGUESE GOVERNMENT ANNOUNCES INDUSTRIAL STRATEGY

With a per capita income of only US\$1,820, Partugal's economy is without doubt one of the least developed in Western Europe and the OECD, even though it is far in

The industrial sector, with rates of growth of about 10% during the sixties and start of the seventies, has been the driving power behind the country's economic growth. Nowadays industry occounts for some 40% of the Gross National Product, and that percentage is actually higher then the overage for the Common market, of which Portugal soon hopes to become a member.

quantitative dimension does not, however, have the correspondence that the quests would like as regards quality. They are aware that their existing industrial arrays does, not make full use of the country's notural resources, that inter-sectorial isons ought to be for stronger and that the degree of technological autonomy is Small and measum enterprises, although they represent a fundamental part of what Is needed in the industrial structure, of the moment have an exaggerated weight.

The competitiveness of Portugal's industry has traditionally been based too much or

ortugal is in a strong position as regards exports in such la

support from the home market, and lead and zinc (pyrites) and walfrom Certain other natural resources, which have traditionally been used only for products of

pointed out that a considerable effort is needed at order to improve management capacity. In this group of industries, apart from textiles and clothing, there are some very important sectors in which expart performance falls for short of what it would have been possible to achieve with a more aggressive attitude in the past; this is the case with furniture, toys, and even footwear and leather articles, among others. Mention is expressly made of the need to strengthen relations between the traditional sectors and other sectors in which Partugal has a certain degree of technological autonomy, particularly as regards the production of equipment goods.

Mr. Boyou Horto pointed to the fundamental importance of strong private enterprise, sufficiently and properly motivated and mobilized, with entrepreneurs who are both competent and go-cheed. The feeling is that the entrepreneur-State, slow in decision, lacking initiative and shoky in its management capacity, is almost "the unfithesis of those basic qualifies that are indispensable for arriving of the goals I have mentioned."

res, which fall within the scope of the Ministry of Industry and Energy, will ented by others, in particular as regards labor relations and Improvements

GABINETE DE ESTUDOS E PLANEAMENTO MINISTERIO DA INDUSTRIA E ENERGIA Avenida Conselheiro Fernando de Sousa 11 - 1900 Lisboa, Portugal

PORTUGAL-

Agriculture: Keeping **Production as Priority**

By Harry Debelius

ISBON - There are social and ideological aspects of farming in Portugal that have more influence on production than do systems of cultivation and types of seeds. The minister of agriculture and fisheries. Antonio Cardoso e Cimha, is the first to admit that political savvy is as important in

his ministry as technology.

Portugal is still getting over its
1974 revolution, and the business of mrning over land to individual farmers in the southern Alentejo region, where a leftist government nationalized farmland, is the minister's most time-consuming task, although he insists that it is not his

most important one.
"The principal job of this ministry is to increase production," be said "And I'm very very strict about that. This is our objective and we must fight for it. And although I'm not an agricultural technician — I'm a farmer but I'm here on a political basis — I think our main task really is to induce more production."

Portugal certainly needs to grow more of its own food. Last year it had to import half the food it conspined, despute generally favorable weather for the crops. This year, as a result of a severe drought that is only now seeming to end, food im-ports will be even greater.

'A traditional problem of Portoguese agriculture is the size of the farms. In the north they are too small; in the south they are too big for efficient farming in the traditional way. To correct this, the government is applying policies tailored to different areas but designed to help the small farmer.

Bollowing the revolution, during what Mr. Cardoso e Cunha refers to as "the hot years from 1975 through 1977 — politically and so-cially not," the Communist Party took advantage of its prestige as a leader in the fight against Fascism and fomented the takeover of big farms in the Alentejo region, bor-dering on southern Spain, by landless farm laborers.

The Alentejo is an area of poor soils and with a difficult climate," the minister explained. "It was used in the past in the wrong way, I think, with the emphasis on wheat production, even where the soil is not the best type for this kind of crop. This sort of agricultural exploitation led to a situation of poor economic activity and seasonal unemployment in this zone, which gave the Communist Party its opportunity.

The party surfaced after its dif-

ficult years as a clandestine movement, with a very good organization but without a basis of popular support. The Communists used the social situation in the Alentejo to get the popular expansion they longed for quickly. This triggered land occupations and forced owners to employ more workers than they could afford, thus pushing the owners toward financial min. Bt the end of 1975, the area of the farms thus occupied amounted to about 1.1 to 1.2 million hectares. This movement was promoted by a number of organisms, mainly the army, which at that time was under a very heavy Communist influence, and the collective farms which were established that way were presented to the population as the solution to the unemploy-ment problem, because collective farm laborers were promised full employment.

Shift in Power

"These collectives at that time were economic nonsense, but then their main objectives were not economic. They had access to easy money in the form of government credits, and the popularity of the Communist Party was strongly reinforced, allowing the Commu-nists to establish in late 1975 and the beginning of '76 a stronghold which they still have."

He continued, "As the political situation evolved in Fortugal, the Communist Party slipped from its position of power. It lost its inflnence on the government, to be-come simply one of the more important parties in the Portuguese political spectrum. The country became established on the basis of Western European democracy. It's obvious that the present system and the present government can-not support the type of political credits which were given in those times, and so some of the collective farms no longer have the capacity to sustain full employment, which means that they are having a hard time surviving, purely as a re-sult of the interplay of economic factors, without any action aimed

-directly against them." A law pased in 1977, when the Socialists were in power, is the le-gal basis for breaking up collective farms. It authorizes the government to redistribute large land-





The manager of a small-farm sprays weeds around 4-yearold hedge lemon trees and picks the fruit for sale at market.

state as a result of nationalization.

("After all," Mr. Cardoso e Cunha remarked, "it's inconceivable in for financial assistance on unusu-Portugal to have estates the size of those in Texas, because the country is small. Even if this might be economic answer, it could not

be a social answer.") Now, the government says, the original owners of the lands seized in "the hot years" have all been given provisional compensation for their losses, although not all claims have been settled because final compensation depends in each case on an on-site assessment of the property.

State Property

New land grants in the Alentejo region are given on a leasehold basis, since the constitution prohibits the return of nationalized property to private ownership, and the grants are restricted to farm workers who do not own land themselves. Their "rental" payments are actively employed on the land. calculated on a long-term basis to balance the estimated amount of indemnity that the government must pay the previous owners. Those who receive such land, as holdings; even those owned by the farm cooperatives and even the ers to form cooperatives.

ally favorable terms.

The UCPs, incidentally, are also required to pay "rent" because the land they work is technically the property of the state, and the government must compensate its original owners, too. It is generally assumed that title deeds will be distributed to the leaseholders when the constitutional situation

The emphasis in the last year has been on the small farmer. By now, 3,000 farmers have been installed on what the minister calls family-size plots, which, he says, "are more in the Portuguese tradition." Officials consider a familysize farm to be one that if reasonably cultivated can be expected to produce an annual income of 200,000 escudos (about \$3,450) for each member of the family who is

As for the north, where gardensize farms become smaller with every generation because the land is often divided among the children oo the death of parents, the well as other individual farmers, government is encouraging farm-

Labor: Communists Retain Leadership

By Mary Castanbeira

ISBON — Organized Por-tuguese labor remains firmly cootrolled by the Communist-backed CGTP-Intersindical (General Confederation of Portuguese Workers), skilled at brinkmanship bargaining and able to cause widespread disruption through strikes. Socialist and Social Democratic attempts to break the Communist

monopoly, with the creation of the rival UGTP (General Unioo of Portuguese Workers), have had lit-The UGT unions have recently

been forced to harden their more lenient pro-government positions to prevent the crosico of their sup-port. Portugal's annual wave of strikes this year has resulted in both the UGT and the CGTP-Intersindical breaking off talks with the center-right government.

The government believes that

the unrest is monitored from Moscow and aimed at weakening the young democracy. "This year's round of strikes worsened when Communist leader Alvaro Cunhal returned from Moscow and demanded the government's overthrow," Labor Minister Henrique Nascimeoto Rodrigues said. "CGTP had started negotiations with the government and even de-clared publicly that this was a government with whom they could talk. Suddenly, coinciding with Cunhal's return, things changed CGTP stopped talking to the government, refusing to attend previously arranged meetings with various ministries."

Strikes lasting from three hours to four days affected oearly every economie sector and every part of the country during the winter. Lisbon was without cooking gas for three days. Four-hundred-thousand civil servants belonging to both the CGTP and the UGT struck simultaneously, paralizing ministries, schools and hospitals. Ten-thousand postal workers left mail services in chaos. Oporto was without public transport for four days. As soon as one strike was settled, another was threatened. In the first week of April alone, there were 15 strikes.

"The strikes show the workers' discontent," said Alvaro Rana, who directs the CGTP's international relations. "It is their answer to the government's unwarranted price increases and loss in purchasing power." He said that Premier Francisco Pinto Balsemao's gov-

minded and ready to solve the workers' problems but that the CGTP eventually found the talks fruitless. "There's nothing new in this government. They want to create a climate for a return to pre-

revolutionary days."

Nearly 85 percent of organized labor belongs to the CGTP. fts dues-paying membership has stabilized in the last year and it has lost no unions to the UGT. "They keep their members because they drive a hard bargain and usually get re-sults," a leading industrialist said. I have workers who voted for the [ruling] Democratie Alliance in the general election but who support CGTP wholeheartedly when it

comes to wage rises."
The UGT, with about 45 member unions, has a hard time gaining ground, among factory workers. After two years of existence, its main strength still comes from the better-paid insurance, bank and other services employees. The organization held its second congress
earlier this year and claimed a
membership of 800,000 workers in
all areas. "We do not spend our
time gluing posters on walls or
confronting workers in useless
strikes or street demonstrations."

LGT executive Vitor Rotellor said UGT executive Vitor Botelho said

Labor Laws

Before the recent toughening of its approach, the UGT had been prepared to cooperate with the government and businessmeo in redrafting Portugal's controversial and highly protectionist labor leg-islation. The UGT's support for legislative changes - needed for entry into the European Economic Community — is vital to the gov-ernment. While the laws generally do not contradict the Treaty of Rome, they are widely considered a brake on investment.

The stringent dismissal law introduced by leftist ministers in 1975 virtually prevents any firing of workers. The authorized reasons for dismissal are limited and difficult to prove, and labor courts take up to five years so solve a case. To get around these laws, thousand of workers are hired on short-term contracts, renewed every six months for a maximum of three years, after which the employer must decide whether to keep the

worker permanently.

Labor Minister Rodrigues wants to revise the law to include an incompetence clause, and simplify the hiring and firing process.







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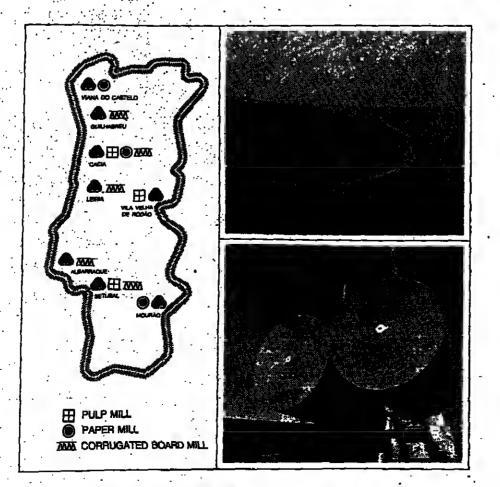
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GROWTH AND PROSPECTS FOR THE PORTUGUESE ECONOMY: The Eighties

Following the recovery of the external balance, which was achieved in 1979, the Portuguese economy has weathered the impact of the second oil price increase quite well. In 1980 the economy was able to consolidate the increase in activity initiated in the second part of 1979. Investment recovered strongly, and despite the increase in energy prices, inflation has abbated and the annual deficit in the balance of payments has increased to only 4.7% of GDP.

In 1979 and 1980, GDP was able to grow at an average (5.1%) significantly higher than the OCDE average (2.1%). This acceleration was due to the large expansion in exports of goods and services (18%, on average, in the last three years) and the recovery in investment in 1980 (estimated at 13%). The expansion of exports meant a large increase in market shares, especially in European countries. This was the result of an outward looking policy adopted since 1977 involving an exchange rate and incomes policy that made possible to regain the pre-1973 international competitiveness, together with other export promotion policies and an appropriate monetary policy. The success of these policies was evident despite the negative effect of the rise of protectionism in certain developed countries that is becoming more and more limitative in a world of slow

The recovery of private investment is evident in 1980, and resulted from a build up in profits since 1977, the acceleration in economic activity, an easier credit policy during the year and a new investment policy that has given subsidies and tax exemptions to new investment projects with sound economic profitability and social productivity. This trend appears to continue well during the current year, supported by the launching of a large program of investments by public firms and the public sector.

The inflation rate that was 24% in 1979 decreased to 16.6% (the OCDE average was 11.2%), due to the decceleration in the rate of depreciation and an increase in productivity. Some administered prices were also kept under strict control, particularly in the nationalized sector.

The Parliament has approved last March the Medium Term Plan for the 1981-84 period. The Plan estimates a growth rate of 5% per year, with investment expanding 8% per annum. Exports are expected to grow at 8% per year, due to the adverse international environment. The increase in productive investment is required for the development of modern sectors, to diversify exports, import substitution and to fill some gaps in the industrial flows. Investment in housing and social infrastructures must increase 8% per annum. On the employment side, the creation of about 200-260 thousand jobs is planned, and it is estimated that the rate of unemployment will decrease to about 6% in 1984.

The objective of investment and inflation requires the containment of the public sector deficit, which implies a very moderate increase in public spending.

The inflation rate is expected to be reduced to the average European level by 1984. This will be accomplished by a progressive reduction in the rate of devaluation, moderate increases in wages, containment of public sector deficit, and adequate monetary, incomes and prices policies. Monetary programming of total credit will continue in line with macroeconomic objectives.

Compensation for the nationalization of firms has already been granted. The stock market has reopened. The Integrated System of Incentives for Investment has defined an industrial strategy for the domestic and foreign investment in manufacturing (priority is given for sectors that have high domestic value added, save foreign exchange and create new jobs) with credit and tax subsidies. Portugal has shown clear comparative advantage in the manufacturing of machinery, transportation material, textiles, clothing, paper pulp and other intermediary technology and labor intensive industries. Tourism is a flourishing industry. The current investment plan undertakes large projects in iron and steel, chemicals, highways, coal-fired power stations for oil saving, and the strong development of vocational and technical education.

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PORTUGAL

Cartoonist Spars With President

L ISBON — Portuguese cartoonist Augusto Cid, 40, used to like politics and politicians. If, politicians didn't exist," he once told an interviewer. "I wouldn't have anything to draw about." Now, he says, "I am fed up and disappointed with all of them."

He has reason to be. During the past year and a half, two of his books of cartoons lampooning President Antonio Ramalho Eanes have been confiscated, he has been brought to trial for causing "irreparable damage" to the president's reputation, and he is facing charges brought by his own political party, the Social Democrats, for starting a campaign to discredit the findings of the committee appointed by the government to investigate the causes of the plane crash that killed Premier Francisco Sa Carneiro last December.

Mr. Cid's troubles began in 1979, when he brought out a book of cartoons called "Superman." which depicted Mr. Eanes as a man who has unlimited powers hut who refuses to use them. Mr. Cid also took swipes at the president's wife, his sex life, his seeming ioability to smile and other personal characteristics. By standards in the rest of Europe and the United States, the cartoons were relatively

But the president was apparently offended. Four thousand copies of "Superman" were seized, and the attorney general brought charges against Mr. Cid that could have earned him a jail sentence of two to five years.

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militant member of Mr. Sa Carneiro's Social Democratic party.
and he has used his wit to further his party's aims and try to discredit its main adversary, Mr. Eanes.

With the charges from "Superman" still hangiog over him, Mr. Cid hrought out a second book of cartoons lambasting Mr. Eanes. He called it "Eanito: El Estatico" ("Little Eanes: The Static"), and he depicted Mr. Eanes as a bullfighter with a quadrilla, or entourage, of Socialists and Communists who is finally ruo out of the ring by the crowd. Mr. Cid dedicated the new book to Mr. Eanes, who, he said. had "shown such spectacular eothusiasm" for the previous book "that he had acquired 4,000

The cartoons were intended to help keep Mr. Eanes from winning the 1980 presidential elections; they didn't. Mr. Cid. however, had the consolation of winning the court case over "Superman," though he never got back the confiscated copies.

Just before the elections, Mr. Cid's political idol, Mr. Sa Carneiro, was killed when his small plane crashed shortly after takeoff at Lisboo. The official report said the crash was due to poor maintainance of the plane and to pilot er-

ror. Mr. Cid said it was sabotage. Using as his pulpit the newspa-per "O Diabo" ("The Devil"), for

CRÉDIT FRANCO-PORTUGAIS

LYONNAIS

Mr. Cid does oot deny that he is sor, Francisco Pinto Balsemao, of politically biased. He has been a not interesting himself in the accinot interesting himself in the acci-dent, and he has declared that rest of the press is heing silenced about

> Mr. Cid. "O Diabo" editor Vera Lagoa and a small group of others plan to recreate the takeoff in a small plane under conditions similar to those that led to the crash, to try to prove their theory. The So-cial Democratic Party is strongly against the plan. "It is strange having to fight agaiost my own party. Mr. Cid said.

Advertising Agency

When the cartoonist is not eo-gaged in political battles, he helps run an advertising agency that he owns with three partners. He is the creative editor — thinking up ide-as, drawing and doing a hit of photography. He has oo other book planned, and said he does advertising because there is not enough money in being a cartoonist. "The situation of artists is very bad in Portugal. There are only a halfdozen cartoonists. They all have to do something else to survive."

Mr. Cid was born in the Azores, and attended hoarding school in Lisbon while his parents worked in Africa. He woo an art scholarship to Laguna Beach High School in California. Back in Lisbon, he spent three years at the Lisbon Art School studying sculpture,

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Cartoonist Augusto Cid

army to serve in Portugal's African territories, He published "O Que Passa No Frente" ("What Goes

"spiritual anarchists." He said they are observers rather than participating cotertainers.

When a reporter from a local newspaper recently asked him if he would like to be president, Mr. Cid said he would not mind it for a month, to be able to break down all protocol.

He imagiced getting off a plane during a state visit to formal dress but wearing a parachute, or reviewing the troops on roller skates. He imagined going on the evening news show and telling jokes about what happened in the palace during the day, or sending a full contingent of splendidly dressed Na-tional Republican Guards to the pastry shop around the corner from the palace for a cupcake.

"The only reason I have not run for president against Eanes on such a platform," Mr. Cid told the reporter. "is that I'm afraid I might win."

-MARTHA de la CAL

Evora: Lisbon's Royal Predecessor

By Vicky Ellion

EVORA — There are not many cities in the world that time has left intact, hat there is one in Portugal: Evora, capital of the Alcolejo, as sufficient unto itself as Venice and Toledo.

Uoder the kings of Avis in the 14th and 15th centuries, Evora was a bustling center that supported a population of 100,000 on the produce of the great plain beyond the Tagus (alem Tejo). Portugal's granary and harmanists from all analysis from all and the second burnanists from all humanists from all over Europe, and the Renaissance spread from there to the rest of the country. It was there that Alfonso V decided to conquer Morocco; that Vasco da Gama received orders from Manuel II to sail with his fleet to the West Indies. This was the backdrop for riots, intrigue, decapitations and royal matchmakiog.

Made for Strolling

Today Evora hides behind its medieval walls, a small market town of 26,000. Half a day's ride out of Lisboo, it has a dozy, peaceahle atmosphere made for leisurely strolling. The husinesslike little Renaults parked in the residential streets are a sign of comfortable prosperity, hut do not intrude. Evora is all of a piece, and the well-proportioned facades of its houses have a frank, open look that seems to sum up the deeply civilized nature of the Portuguese themselves.

Its inhabitants are sober and restrained, the men and the youngest children in the characteristic three-tiered Alentejano cape. and the older women in all possible permutations of black: black crochet on black knitting on black acrylic nn black rayon,

As a counterpoint, the nights are particularly bright when the moon is out. Through the freezing winter and the broiling summer (a local proverb reads: "What keeps out the cold, keeps out the heat"). Evora is a magnet for moonlight, which bounces off its white housefronts and the miraculously preserved Roman temple to the goddess Diana.

The Romans knew Ebora, as they called it theo - Augustus or Octavius christened the city Liberalitas Julia. Their shrine to Diana is next to the cathedral on the city's highest point. The temple was later walled up, to serve in turn as a fortress and as the local slaughterhouse, until its graceful, fluted columns were dug out early this century from their matrix of hrick.

Next to the temple stands one of the best pousadas, or rest houses, in all Portugal, the former Convento dos Loios, now transformed into a magnificently comfortable post house, a showcase of traditional arts, with rooms for roughly \$40 a night. Its dining room, where one can sample classical Aleotejano recipes such as porco al alen-tejano, a dish of pork fried with elams, is disposed round a cool loggia. A pair of twist-ed barleysugar columns of obviously Moorish influence remain as one of the few traces in the city of the Moorisb occupation, which came to an end in the early 12th century.

The praca do Giraldo, Evora's main square, with its imposing Quinhenista fountain, commemorates Gerald the Fearless, a feckless robber haron who, according to farfetched legend, won the city back from the Moors single-handed in 1165. After scaling the walls with a ladder of lances hastily roped together, he jumped 20 feet from the

ramparts into the stronghold and managed not only to kill off both a watchman and his teen-age daughter but make quick work of the opposition.

In the 16th century, Evora became a Jesuit center and suffered the Inquisition — in a milder form than in Spain, insofar as less blood was spilled. One of the city's more gruesome relics is the Chapel of the Bones in the Convent of Sao Francisco, an ossuary flanked by inscriptions that grin: bones are waiting for yours."

Richly Painted Tiles

The effect is leavened by the abundance of azulejos, the richly painted tiles in hine, white and yellow, of which Evora has a particularly fine sample. The collection on the walls of the university is said to be among the finest in Portugal — but some of the Bible scenes depicted were so racy that teachers preferred to mask them with desks and blackboards.

The marquis de Pombal closed the university in 1759, but Evora's greatest days were already over. The university was only reinstated in 1975. Its library, by Diana's temple. still guards 500,000 books. Thousands of parchment-bound volumes lie worm-eaten behind ehicken wire frames.

Evora, upstaged by Lisbon, retreated into sullen provincialism. But in the heady atmost phere of 1975, it woke up from its torpor to play a vocal part in the great debate on agricultural reform. Farmers from the surrounding countryside came to elaim their due, and walls were plastered with graffiti demanding the right to work the land.

Central Bank: Loss of Some Power in Sight Spiritual Anarchists On at the Front | with cartoons depicting the soldiers' life to Afri-He began his career as a car-toonist after being drafted into the ca, It was an immediate success. which he is cartoonist, Mr. Cid has The international institutions accused Mr. Sa Carneiro's succes-Mr. Cid coosiders cartoonists loans. The first steps in the estab-

L ISBON — Under the com-bioed pressures of forthcoming membership in the European Econonic Community and a government reform program under discussioo, Portugal's conservative central bank is going to lose some of its traditional power as arbiter

the money sector.
The Bank of Ponugal has long reigned over the banking system. hut there was a time, especially in the post-revolutionary upheavals, when its circumspect housekeeping was virtually all that stood be-

Iween the country and bankruptcy.
In recent years, however, as the country faces the need for rapid economic expansion (in a world with deep ecocomic problems), the tight control the bank exercises on inancial policy has been criticized.

The central bank not only has the elassical functions of an issuing house but also oversees and manages the banking sector, a task performed by a separate entity in some countries and one that the Portuguese Ministry of Finance is likely to take over if the reforms are approved.

Policy Defended

While some commercial hanks criticize the central bank for its tight hold on operations - and - hy close monitoring of the credit levels that each bank is obliged to maintain, the hank defends the policy as vital for long-term economic stability.

Nevertheless, the policy is heing fundamentally re-examined because of the need to create an open internal capital market, reconcile the state monopoly on banking (and insurance) with EEC regulations, and create hanks large enough to compete with the Euro-pean and U.S. giants.

On the capital market question.

the Bank of Portugal has uotil now underwritten the state deficit hy issuing treasury bonds and acting as an agent for Portugal in foreign

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lishment of a capital market have been taken, and two public companies recently issued bonds in the first post-revolutiooary bid to raise domestie loans from the public.

As this market grows, absorbing the excess liquidity of the nationalized banks (offering up to 20 perceot oo term deposits), the financial of the management of the manage ing of the oational hudget will be made easier, But Rui Vilar, deputy governor of the Bank of Portugal warns that, while this has advantages, it will also raise the rate of inflation, a prime target of govern-ment fiscal policy during the last two years. The inflation rate has dropped from 22 percent to about 17 perceot this year, official sourc-

Stock Exchanges

Mr. Vilar, stressing the importance of the capital market, said, We are cooperating with the government in this venture as a way of financing internal deficits and reducing the central bank's role in the system." The growth of the capital mar-

ket will also be helped by plans to revitalize the Lisbon and Oporto stock exchanges. Share movements are spectacularly flat because, with the revolution in 1974, the exchanges were closed, the best-quoted companies nationalized, and the hoom of the previous year dra-matically and in many cases disastrously halted. Thousands of people lost their savings or found themselves with huge bank dehts, and it will take some time for investor confidence to be restored, some hankers feel.

Furthermore, a lack of attractive stocks plus the absence of any mechanism for nationalized banks 10 operate in the share market means that there are no unit trusts or hank-managed issues of private

enterprise to share capital. These shortcomings are not the

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only inhibiting factors in Portugal's financial system. The state banks, although recently authorized to increase their capital, in some cases hy as much as three times the present level, are far too small to compete with the international giants. The government is preparing to merge several of the smaller banks, but apart from creating larger institutions, there will also have to be a dramatic alteranon in attitudes and approaches to banking, which are bogged down by bureaucracy and inefficiency.

As the annual report of the Banco Pinto e Sottomayor pointed out. Portugal is at the bottom of the EEC hanking league. To reach comparative levels, the local banks must grow between 102 percent and 329 percent. The banks, the report continues, generally have twice the EEC average number of employees, coupled with the lowest profitability per employee (\$4,712 against West Germany's \$15,824 and Britain's \$13,690). The report concludes that, "without a metamorphosis in the system, it will be hard to survive against open competition from our European partners in the EEC."

Meanwhile, the three private banks that escaped the 1975 na-- turned in another year of good rejected as well.

like Chase Manhattan, Barclays and Bank of America are poised to take larger shares of the wholesale banking market once restrictions on foreign banks are modified. There is also a new interest in para-banking operations, known as investment companies, which several wealthy Portuguese former hankers have set up in an offensive oo the banking sector.

The Bank of Portugal, always

circumspect about uncootrolled foreign capital investment, is lobbying beavily for a three-year transitioo before complying with EEC regulations on capital transfers. But Brussels opposes this,

Tied to this is the need to open the banking sector to private enterprise in terms of the Treaty of Rome clauses against discrimina-tory practices. Lishon faces the problem of a constitutional block on denationalizing the hanking sector, taken over hy the leftist post-revolutionary regime in 1975. The constitution is due for revision this year. Meanwhile, the conservative government has a bill before the parliament to redefine the public and private sectors in a move to hreak the state monopoly on bank-

The bill has been rejected three times by the Council of the Revotionalizations — Bank of Londoo and South America, Credit Franco-Portugais and Banco do Brasil
and the present initiative may be

- KEN POTTINGER

Contributors to This Supplement

KEN POTTINGER, who coordinated this special supplement on Portugal, is a British journalist who has been based in Portugal for the last seven years. He is a regular contributor to the International Herald Tribune and its special supplements. Besides other international media, he corresponds from Portugal for the British Broadcasting Corp., Newsweek magazine and the Canadian Broadcasting Corp. Other contributors are:

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to the Guardian, Melbourne Age, the Toronto Globe and Mail. She recently wrote a book on East Timor. MARY CASTANHEIRA - A Canadian based in Lisbon for the

last 20 years, her work has appeared in the Wall Street Journal, Campaign Europe and Business Europe. CAROLE GARTON - A Lisbon teacher and writer, she has lived

in Portugal for 20 years. She contributed to last year's IHT report on Portugal, She is British. MARTHA de la CAL - An American, she has lived in Lisbon for 12 years and corresponds for Time magazine and McGraw Hill publi-

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Portugal's Gypsies Still on the Outside

By Carole Garton

CINCE THEY mysteriously appeared in Europe in the 15th century, Gypsies have been threatened with severe penalties, including death, un-less they abandoned their for-Eign customs.

But nowhere have these des-cendants of Asian nomads thrived as well as in the Iberian Peninsula, despite constant harassment by the state and in-

dividuals.

The Regian Gypsies, like the others, have survived off their wits. Tinsmitting and basketmaking their only crafts, are dying out. At country fairs all over Portugal and Spain, the men handle most of the buying and selling of livestock. They are past masters at the cruel art of fixing up old nags, at least for the duration of the fair. They are also persuasive salesmen, who often act on behalf of less eloquent peasants in mar-

But trucks, tractors and motorbikes are replacing horses and donkeys, and seasonal fruit-picking is no longer

enough to sustain a semi-no-madic lifestyle. So younger gencrations of gypsies are wandering into Lisbon, Madrid, Seville and other cities to join the members of their families already living in shanty suburbs or the urban underworld.

There, the men hawk "gold" watches to the unwary, and clothes factory rejects to the unfastidious. The women are consummate street vendors, and they also engage in for-tune-telling and the making of

magic potions.

Only married women, some with babies in their arms and with babies in their arms and children nestling in their long skirts, are allowed to look for business. An old-fashioned concept of honor is tenaciously upheld by the Gypsies. Young, unmarried girls are constantly watched, and a tribe will see watched, and a tribe will seek terrible vengeance if it believes that the code has been

The 90,000 Gypsies in Portugal and the 600,000 in Spain belong to a branch of North Indian emigrants that split from the main group as it approached the Mediterranean in the 14th



Iberian Gypsies: Surviving in an age of change.

century. While the others conthey traveled across North Africa and entered Spain at about the same time that Moslems and Jews were being ordered out unless they converted to Christianity.

The Gypsies were quick to embrace the church, and in this way they fared a lot better than the Jews and Moors, whose civilizations in the peninsula were systematically destroyed as the Christians reconquered the

Although Col. Cody, better known as Buffalo Bill, de-clared, after visiting Gypsies in Southern France, that they were related to the North American Sioux and Iroquois,

researchers have proved their origin in India. Whether they are Portuguese Ciganos, Span-ish Gitanos, French Gitans, Russian Roms or Hungarian Tziganes, their taboos, customs and what remains of their language link them to the Indian subcontinent.

The Gypsies have been better integrated in Spain than in Por-tugal. Some of Spain's best builfighters, flamenco dancers and musicians are Gypsies. Besides inspiring so many Spanish poets, composers and painters like Garcia Lorca, De Falla and have fascinated artists of other countries such as Verdi, Prosper Merimee and countless

An Image-Maker

country today, it is thanks in large part to the efforts of Joso Coelho Nunes, a onetime insurance salesman now responsible for marketing the Portuguese premier and his government.

Mr. Nunes' job is considered vital by Premier Francisco Pinto Balsemao, the first Portuguese government leader to employ a full-time marketing executive.

What is the officially designated "assessor for marketing in the pre-mier's office" selling? Basically, the government and its policies.

Mr. Nunes says his job is to convince the Portuguese that, for the first time in 12 administrations. they have a government capable of solving their problems. He must also create a clear image of a goverament that intends to last out its four-year term, a novel idea in democratic Portugal.

As a former executive in the Post Office administration, Mr. Nunes is also concerned with creating corporate images for state institutions that will project the idea of a Portugal bound for membership in the European Economic

He says that his task extends beyond the frontier: "We need to project the Democratic Alliance to its fellow European governments,

L ISBON — Whatever image and Portugal to its future Com-portugal's 6-month-old con-mon Market partners." In this regard, he will be stress-

ing the nation's strategic position on Europe's and its vital Atlantic island possessions of Madeira and the Azores. Language affiliations with Brazil and the former African colonies, especially Mozambique and Angola, are another selling

— KEN POTTINGER



Joao Coelho Nunes



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Balsemao: Development Will Counter Communists

By Harry Debelius

T ISBON - Constitutional reform was a key plank in the platform of the Democratic Alliance coalition under the leadership of Francisco Sa Carneiro, who died in a plane crash last December, and it was taken over wholeheartedly by Premier Francisco Pinto Balsemao when he took office as the leader of the center-right government last January.

The left-leaning constitution, which reflects the upsurge of Com-munist influence after the so-called carnation revolution of 1974 that followed a-half-century of rightist dictatorship, has been getting a lot of attention this year.

Mr. Balsemao expects little serious opposition to the government's constitutional reform program, and he argues that the principal opposition party, the Socialists, led by Mario Soares, have hardly any choice other than to go along with the reform if they expect to retain the confidence of and so we need to negotiate and their electorate.

Discussing such matters as the government's economic and social programs and constitutional reform, in his austere modern office in Lisbon, the Social Democratic premier said: "The better we develop the country, the less oppor-tunity the Communists have." He added. "Defeating the Communists is really a question of giving the people better conditions for living, for work and for leisure. It's not a question of fighting only on political terms."

'Our Own Rules'

Asked how much of his constitutional reform program he expected to get approved, he said, "It de-pends on several factors. First of all, we are not disposed to negotiate at any price ... We have our own rules, let us say, and our own principles ..., and those principles we have a right to respect. Secondly, we need a majority of twothirds to change the constitution,

find some sort of agreement with the Socialist Party on some of the

"But by that I don't mean that the Socialist Party will be the re-feree of the constitutional revision. I'm sure that the Socialist Party is aware of the serious political implications if it refuses any essential change, because times are different now. We are ready for full democ-racy. That's what the people want So, if the constitution, which is the fundamental law, is not adapted to reality, we run into danger, and the Socialist Party will not be the re-feree then, it will be the accused.

"If we don't change the constitution reasonably, according to the present reality, according to the principles and rules of democracy in the Western countries, the people will not forgive those who did not allow us to do it."

He continued: "There's a tendency now to say everything de-pends on the Socialists. That's very

easy to say, but I don't accept that. I think it's they who have to accept the reality and understand that there is a need for revising the constitution in some essential points, and it will be their responsibility to

the country and to democracy. "That is not to put all the responsibility on their shoulders. We are ready to negotiate, as I told you, but they should at least share this responsibility, which should not be the responsibility of just one party or one coalition. It's a national responsibility, especially of the democratic forces, and of course I consider the Socialists to be among the democratic forces,"

Army Affected

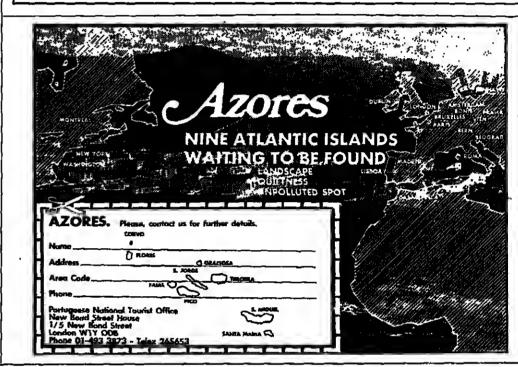
The Portuguese Army, which led the 1974 uprising that overthrew the Salazar-Caetano regime, will be directly affected by the reform, since the powerful Council of the Revolution, made up of military leaders, is destined to disappear under the government's proposal. Yet Mr. Balsemao does not think

such a change will have disturbing results within the military estab-

"The constitution was approved and voted on in 1975 and '76," he explained, "Historical conditions, political conditions, were then completely different from what they are now, so we feel that the constitution needs a deep revision. We are not speaking about a new constitution, we are speaking about deeply revising the current

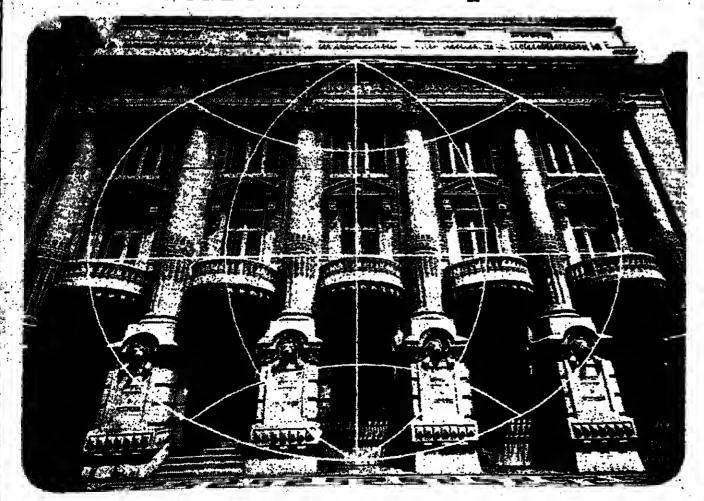
text.
"First of all, we should have a text which is adapted to the pres-ent social and political realities, and therefore a text which can be used, let's say, no matter who is democratically elected to govern. The present text is a programatic one, in the sense that it points toward only one ideological op-tion: It speaks of the transition to Socialism. For instance, it declares all the nationlizations made up to now to be irreversible.

"Secondly, the structure of polit-(Continued on Page 14S)



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Algarve: Exotic Farming In 'Garden of Portugal'

THE ALGARVE, with its be-nign Mediterranean elimate, s koown as "the garden of Portu-Britain. Take the markets for the and it is dotted with small boldings belonging to Portuguese and foreigners who grow and mar-ket "exotic," or comparatively rare, varieties of fruit and vegeta-

These include plump, glossy strawberries; asparagus; cantaloupe and watermelons; Israeli lemons: avocados: raspberries; watercress; grapefruit; passion fruit and green celery. Most of this produce goes to leading restaurants in Portugal or to the homes of well-to-do expatriates. There is virtually no export trade. Geoff Barter and his wife, Joan,

came from Britain to Portugal in 1970 and bave gone successfully into market gardening. "We bad no family commitments in England," said Mr. Barter, a trained agriculturist. "Additional land for market gardening was based on the high market gardening was based on the province of the p market gardening was hard to buy or rent. We felt we wanted more living - or earning - space, and a warmer climate.

On their land at Ludo, near the Algarve capital of Faro, the Barters grow in seasonal rotation strawberries, meions, asparagus (which brings more than \$1 for a small bundle), green peppers, giant cauliflowers — and Brussel sprouts at Christmas for Britons in Portugal who insist on having this traditional vegetable with their turkey.

"We have to work hard for long hours, but we make a comfortable living." Mrs. Barter said. "What will be the most profitable crop is always something of a gamble -depending of course on supply and demand. One year it's strawberries, another year it's

Both Portuguese and foreigners who take up market gardening can obtain agricultural bank loans. The rates of interest vary from year to year, but currently they stand at 12.25 percent for less than a year, and 13.25 percent for a year

Ian Sewell of Almansil in the Algarve, who has switched from market to landscape gardening, said: "Naturally, the Portuguese get these short-term loans more readily than foreigners. But, whatever your nationality, you have to prove ptofit potential, ptovide regular reports in the progress of your two acres of tomatoes or what-have-you, and ptoduce invoices to the bank manager from time to time.

"Once you've got going with the delicious dessert fruit." 'exotics,' there are more complica-

Portuguese themselves. With a low-income population of some 10 million, these are small and conservative. For instance, the average Portuguese won't buy green celery. It's like trying to sell green asparagus to a Frenchman. He only wants the color he knows - white. The Portuguese, as a rule, won't cat grapefruit, or toronja. It's just not their idea of a good fruit something sweet and rather sickly. They prefer to make marmalade

"And avocados are dicey. They are susceptible to frost, and tend to ripen at the wrong time - when there are very few tourists about. But a number of Portuguese in the Algarve are now going ioto growing them on a big scale, io view of the high prices they can com-

While some enterprising Algarya while some enterprising Algarye families are busily cultivating carob trees because of an increasing demand for the nutritious beans, two foreigners — an Italian and a South African — are breaking ground with widely different fruit ventures.

Giulio Coleguezzosi is deter-mined to establish the Algarye's first pineapple plantation, on 20 acres of a hillside overlooking rice fields at the village of Odeaxere, near the fishing port of Lagos. "Although pineapples are strictly tropical fruits, the soil and climate of this corner of Portugal are perfect for their production, he said.

Mr. Colegvezzosi set up a major pincapple-growing business in the former Portuguese territory now called Mozambique, and his company. Anazul, has imported 350,000 young pineapple plants from the Ivory Coast and invested to a linear plant of the Alexander in t 18 million escudos in the Algarve experiment. The plants are being raised under strips of plastie sheet-

Tavira, 65 miles along the coast from the pineapple planta-tioo, South African-born Sherri Wiltsher is growing 1,500 seedless lemon and 400 passion fruit plants io the hope of setting up local and export markets. She has a Portuguese farm manager. "Passion fruit ...is practically unknown in Portugal," she said, "Its sweet and subtle flavor makes it ideal for cool summer drinks, in ice cream or simply as a somewhat new and

-ERIC ROBINS



Maria Teresa Horta

Maria Teresa Horta: Time Left for Poetry and Causes

sa Horta gained fame as one of 'The Three Marias" - three Portuguese womeo writers who collaborated oo "Novas Cartas Por-tuguesas" ("New Portuguese Letters"), a book of poems, essays and stories that the dietatorship considered pornographie and politi-

cally dangerous.

All copies of the book were con-fiscated under the strict censorship laws, and the authors - Maria Teresa Horta, a poet; Maria Isabel Barreno, a novelist; and Maria Fatima Velha da Costa, a social es-

sayist — were brought to trial.

The cause of "The Three Marias" was taken up worldwide by feminists, who flocked to Lisbon for the trial. The three are militant feminists, but their principal motive for writing the book was political. They were determined to strike out against the dietatorship and its censorship of writers particularly women writers.

Before they were sentenced, the revolution came. Under the new democratic laws, they were acquitted. "The Three Marias" broke up. however, amid a great amount of bitterness. Only their common political fight had held them together. Said one of them later, "To vrite a book together is to become a three-headed monster.

Women's Marches

Teresa Horta and Isabel Barreno founded the Portuguese women's liberation movement shortly joined by women lawyers, doctors and other professionals. At that time. Portugal's laws still gave ab-solute cootrol of wives, property and children to men. Ms. Horia and Ms. Barreno led women in marches on the presidential palace and in picketing government ministries. They stopped the 1974 Miss Portugal pageant by threatening to overrun it and set loose a flock of chickens. By 1975 the women's movement

had come under the control of women from labor unions and the Socialist and Communist parties. When Ms. Horta attempted in Lis-bon's Eduardo VII Park to stage a ceremonial burning of brassieres and other items seen as symbols of women's represssion, she and ber followers were attacked by crowds of women and men yelling, "Get the bourgeois capitalists!"

Ms. Horta came to believe that that type of feminist protest was indeed "bourgeois and elitist." She joined the Communist Party in 1975 and was named a member of the national council of the Communist-oriented Women's Democratic Movement. Since the 1974 revolution, she

ISBON - Just before Portu- She believes, bowever, that it will is gal's revolution in 1974. Teretake at least two generations for
these to be put fully into practice. Women in cities and factories have equal rights and salaries, but those in the country are still living in conditions out of the Middle

> Ms. Horta published her first post-revolutionary book of poems, "Women of April," in 1978. The poems depict the common struggle of women during the revolution. For a time she was editor of the literary supplement of A Capital newspaper. Three years ago she was asked to set up and edit Portu-gal's first women's magazine. fullieres (Women).
>
> Ms. Horta is collaborating with

> former Premier Maria de Lurdes Pintassilgo on a book about Miss Pintassilgo — a left-leaning Catho-lic activist who was the prime mover in the enactment of equal rights laws in Portugal - that is expected out in November. She is also working on a series of sbort biographies of outstanding Porniguese and foreign women, called "Women, My Sisters," and she is planning a book on violence

against women in Portugal. Yet she still finds time for her poetry, and she has gone into psy-choanalysis. "I believe that psyeboanalysis can help women to un-derstand themselves and society and why they are oppressed," she said. She decried what she sees as a negative influence on women by Freud, but defends the ideas of the American psychoanalysist Melanie

Tourism: New Look At Unspoiled North

L OCOMOTIVE No. 151 and the venerable carriages it pulls are a unique attraction in Portugal's little-known north. The roads twist like question marks and the narrow-gauge railway tries to emulate them, in this land where the little farms, with their high-trellised grapevines, look more like gardens.

The Historical Train is available only by charter. It puffs up the lovely Douro Valley, sometimes reaching the breakneck speed of 30 kilometers an hour, rattling through the vineyards that produce the grapes for port wine, past ancient farmhouses and flowery orchards.

The steam engine was built in The steam engine was built in Esslingen, Germany, in 1886, in the workshop of Emil Kessler; the cars it pulls, with their lace curtains, cut-glass windows and inlaid woodwork, all have about the same age. The train was lovingly restored in 1971, and it is maintained with the kind of care that tained with the kind of care that only old train buffs can feel for

teaming relics. Tourism officials are paying more attention to the possibilities of the north. It is a land of sofmess despite the rugged mouotains, quite unlike the sun-soaked south. The Secretariat of State for Tourism is talking about bringing a tide of visitors to the area, but the nostalgia lovers and the ecologists can rest easy. The authorities say that they do not want to bring in so many vacationers that they risk destroying the scenery.

A four-year plan calls for the construction of a number of small hotels in the beantiful mountains and valleys, plus a new freeway with financing from the European Economic Community. The old roads will remain because of their charm, and the administration says that the region will continue to be one of the most unspoiled parts of Western Europe.

In the meantime, travelers who want to be first at the "in" places can start booking as housequests at private villas and farmhouses under a new government plan, the de-tails of which will soon be available to travel agents.

For those who prefer not to ven-ture beyond the places where they can stay in good hotels, there are plenty in the cities and towns of the Costa Verde and the Costa de Prata: Viana do Castelo, a city fa-mous for its handcrafted lace and with more than enough churches dating from the 15th and 16th centuries to keep amateur readers of ancient inscription busy for a month of Sundays; Ofir, a beach resort set among cork and pine trees that is one of the best vaca-

Varzin, n fishing village where they really still fish but in the shadow of a new 15-story beach-side hotel, the Vermar Dom Pedro, that is as tastefully modern on the inside as it is dull inodern on the outside; Oporto, the city whose name is known around the world because of the winez Aveiro, "the Venice of Portugal," with its lageon, its canals and the wisting arms of the delta of the Vuga River; and Fifueira do Foz, where a meal of shellfish is reason enough

to make the detour .-Places of lodging are not abundant in the interior, but they often have a charm that the new hotels cannot match. There are 11 pousadas (state-run inns) in the north, often in historic buildings.

It is hard to conceive of a place with lovelier surroundings than the 10-room Sao Bento Pousada in the Peneda-Geres National Park, over-looking the chain of lakes along the Cavado River and the forests.

The traveler who likes to stay off the beaten track can strike out by car on the roller-coaster roads of Tras-os-montes, the mountainous hinterland where every turn brings a new surprise, whether it be a superb view or a middle-of-the-road mule. The weary driver is reward-ed at the end of the day by the simple but outstanding local dishes in places like Sapiaos, near the hill town of Chaves, where the front and ham, washed down with red or sparkling wine from the Dao district, are a memorable experience. There is opportunity for relaxing,

too, in dozens of spas, most with fine, old-fashioned hotels. Then, too, there are the bostelries known as estalagem in most of the larger towns, and some are extremely comfortable. Some, like the Estalagem do Cacador (Hunt-er's Inn) in the mountain crossroads town of Macedo do Cavalheiros, are so "old Portugal" you cannot believe they are for

There I sipped an old aguar diente, a Portuguese brandy, in the lounge after a dinner during which four women waited solely on my

Under a brick-red painted ceiling, the big-screen color television set rested on a polished wooden plank against a backdrop formed by a large and elaborate tapestry of a hunting scene.

I went upstairs to my balconied, high-ceilinged room and climbed into the old bronze bedstead; thinking of how the Portuguese, with the remarkable sense of universality that made them integrated themselves in their colonies, had instinctively enshrined the household deity of the 20th century, the

Strains in the Continuing Rush South

By Eric Robins

MORE THAN 60 percent of the 7 million visitors to Portugal last year came to the Algarve. creating straios on the province's weak and outdated facilities.

The flood of German, British, Dutch, Scandinavian and American vacationers into a regioo uo-known to international tourism less than a couple of decades ago was swollen by tens of thousands of Portuguese from Lisboo and the

Portugal's tourist trade - which is based on abundant sunshine and a low cost of living — is said to be the fastest-growing in Europe, but the problem is whether the Algarve's public services can cope with the increasing seasonal demands.

Ana Caldeira, the director of

said, "women are much better off. The new constitution and civil code have given us equal rights." are 16 local councils or camaras, all proudly independent since the 1974 revolution, in the Algarve,"

she said, "and they all have their own views on helping to finance tourism out of their coffers, and on

how to deal with the various issues it creates' Coastal Cleanup

They are currently agreed, how-ever, on tackling one of the priori-ties: a cleanup with a kind of giant vacuum cleaner of the beaches and coves along the province's 120 miles of rugged Atlantic coastline. "We're getting two more of these machines so there will be one for every 40 miles of beaches," Ms. Caldeira said. "The three casinos on the Algarve are giving the municipalities a percentage of their profits to pay for the extra beach

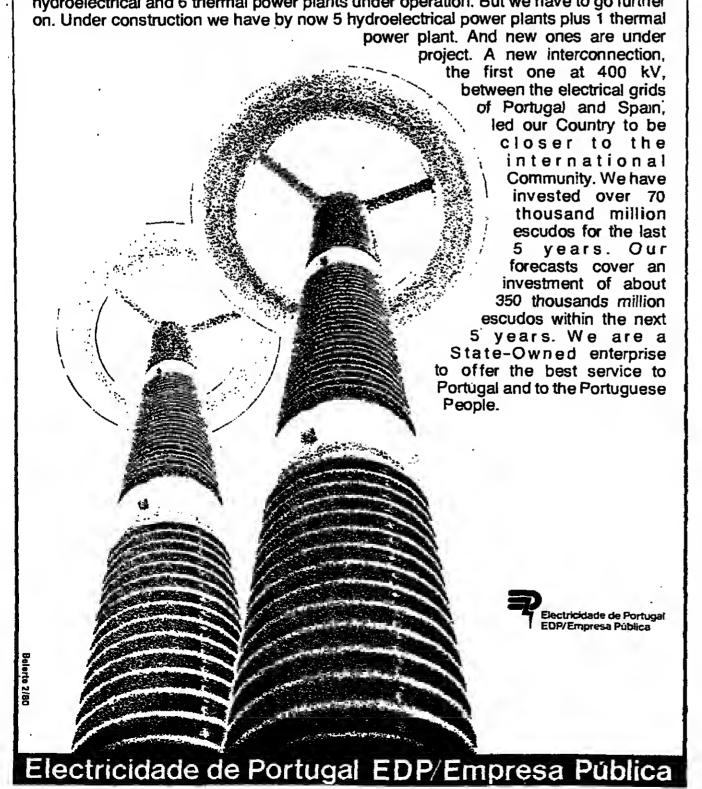
The camaras are to create many more camping sites along the coast
— with water supplies, sanitation
and other facilities — to absorb the increasing numbers of young-sters with backpacks (the Por-tuguese call them "snails") who come for cheap vacations. And, a municipal official said, "all the lo-cal councils are going to enforce promotion for the Algarve Regional Tourist Board in Faro, thinks that they can — given time. "There

their bylaws and forbid camping outside official areas."

The Algarve is also strictly controlling the speculative building of high-rise hotels, towering condominium blocks and so-called vacation villages. "The Algarve may have made a few mistakes in this sphere in the past," Ms. Caldeira said, "but building regulations—and these include the preservation of green zooes—are being firmly

of green zooes — are being firmly applied. The government seems determined there will be none of those hideous concrete jungles you find on some of the holiday coasts. of Spain."
The vacation season of June

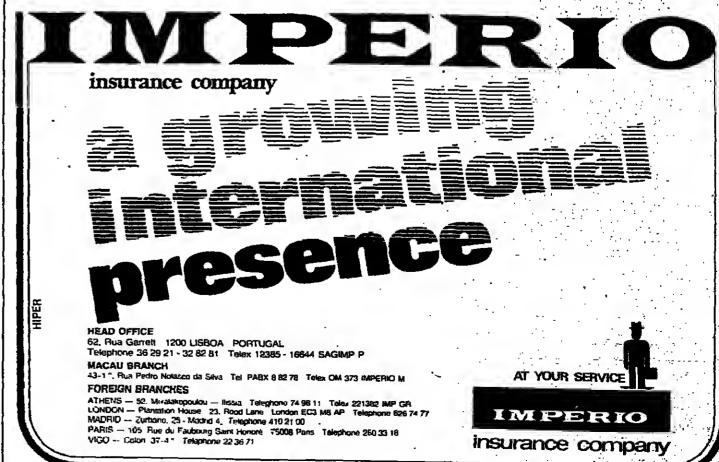
through September, when the population is much increased, taxes the region's electicity supply. Scheduled and unscheduled blackouts are frequent and frustrating This has gone on for too many years, and the problem must be solved." Ms. Caldeira said. The Algarve's water supply is another seasonal headache. And sanitation is "chaotic," admits Colleia Cunha, president of the Algarve Sani-tation Commission.

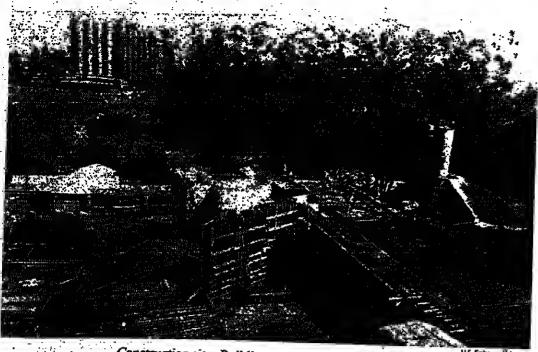


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Construction site: Building a symbol of U.S. interest.

U.S. Ties: Costly Embassy Rises

I ISBON — High on a mound and ensure that bilateral accords bearer. The aid director for Portunear Lisbon's outskirts and on U.S. facilities are maintained. backed by the wooded splendor of the city's Montsanto Park, the United States is building a \$13million embassy complex.

Within the walls of a 12-acre former farm: Washington plans a four-story chancellery, a two-story consulate, and installations for the Military Assistance and Advisory Group, the U.S. Marine guard and a cafeteria. Existing structures, including a two-story manor house, a private chapel and formal gardens, will be retained and in some cases transformed

The Quinta dos Pinheiros (pine farm) development is to be completed in the fall of 1982. Conceived three years ago, the compound, which will not house the residents, is a symbol of U.S. interest in Portugal With 111 Americans and 125 Portuguese employed, the complex will also include a cultural and Englishteaching center and the office of the U.S. Agency for International

An embassy officer said the. complex means that Portugal is a good deal more important to the United States than its land area or its trade figures would indicate.

Portugal is important to the United States partly because of its geographical position and its strategically vital Atlantic island possessions, which makes Washington

the late Premier Francisco Sa Car-neiro, made much of the Lisbonfirst Western ally to beed former President Jimmy Carter's call for sanctions against Iran during the hostage situation in 1980, and was

ened by extreme leftists; a leading military commander, Maj. Otelo Saraiva de Carvalho, warned him to leave Portugal because his safety could not be guaranteed.

For two years, the United States maintained a low profile while Marxist-inspired revolutionaries railed against American imperialism, multinationals and capitalist excesses. But things calmed down, and in the 1976 parbamentary vote, Mario Soares' Socialists were elected to form a minority govern-ment. Ties with the United States were slowly strengthened, and a vast aid program was set up to res-coe the Portuguese economy and help with the integration of 1 million Portuguese from the former

After six years, this program, carried out by the Agency for International Development, contineager to bind it firmly to NATO ues to be an important U.S. flag

on U.S. facilities are maintained.

The present conservative government and its predecessor under the late Premier Francisco Sa Carthelia (Premier Francisco S with a staff of 25, indicates the pri-Washington ties. Portugal was the ority that Lisbon gives to development as it anticipates its entry into the European Economic Commu-

nity. Since 1975, the United States has made available \$757.7 million hostage situation in 1980, and was an early partner in the freezing of ties with the Soviet Union over the intervention in Alghanistan.

It was not always like this. In 1975, at the height of the revolution, the U.S. ambassador at that time, Frank Carlucci, was threatworth of aid that Western countries and institutions have given Portugal in the last five years.

But development also depends on the way the money is spent. "For Portugal really to make big strides in its economic development, the country needs intensive management training schemes for management training schemes for its private and public sectors," Mr. Finberg said, With this in mind, the U.S. aid program has set aside nearly \$11 million dollars for the "technical consultations and training" grant, which finances observation, consultation and training programs in the United States for Portuguese officials, and the services of U.S. consultants in Portugal. Since the program began, 400 Portuguese have been to the United States and 200 U.S. consultants have helped the Lisbon govern-

Atlantic Islands: NATO Seeks Wider Facilities

ISBON - Portugal's Atlantic islands are assuming an increasingly important role in U.S. and NATO military strategy, and military planners are pressing for a major expansion of air and naval

The Azores, about 1,000 miles west of Lisbon, form a mid-Atlantic stepping-stone vital to Western defense. The U.S. air base at Lajes on Terceira Island is a crucial refu-eling point for airborne forces moving rapidly from North America to the Mediterranean, the Middle East or the Gulf.

Recognizing its importance, the Reagan administration has asked Congress for \$51.4 million to beef up Lajes in preparation for han-dling the planned U.S. Rapid Deployment Force. U.S. officials in Lisbon say that this represents only balf the planned spending on repairs and improvements to the air base during the next five years including resurfacing the main runway, taxiways and apron, modernizing navigational aids, building extra fuel tanks, and improving the neighboring U.S.-built

harbor Lajes is surrounded by a network of underground supply areas whose contents can be airlifted to any transatlantic spot within

Short-Range Fighters

Since Lajes airfield was built by the British during World War II, it has also been used as a refueling point for short-range lighter aircraft being ferried across the At-

The airfield's third main function is to serve as a base for P-3 Orion maritime surveillance planes patrolling 2.5 million square miles of the North Atlantic, EA-3B electronic warfare aircraft are also sta-

tioned there, along with units of the Portuguese Air Force, The facilities at Lajes are leased to the United States under a fiveyear agreement signed in 1979. Special operations involving countries outside the NATO area require prior approval by the Portuguese government. In return, Portugal is receiving \$140 million worth of aid, of which nearly balf is for military purchases.

NATO is anxious to boost military facilities elsewhere in the Azores, which Portuguese President Antonio Ramalho Eanes recently described as "a pillar of support in the defense of Europe." NATO is considering the island of Santa Maria, whose excellent airfield is used as an alternative land-- KEN POTTINGER ing ground to Lajes. The alliance

has a submarine listening post on Santa Maria and is eager to see the trolling the North Atlantic, and the alliance aims to establish a reisland equipped with a deep-water gional command center on Sao Mi-

In 1975, when a Communistbacked government held power in Lisbon, Santa Maria was used as a refueling stop hy Cuban planes carrying troops to Angola. A pro-U.S. Azores separatist movement flourished at the time, but withered into insignificance after the Communists were removed from power and Portugal completed its transition to parliamentary

democracy a year later. The democracy born of the 1974 revolution stabilized, and with the opposition Socialist Party as staunch a supporter of NATO as the ruling center-right coalition, Portugal is judged ripe for military

Last year, NATO paid 25 per-cent of the cost of repairing the breakwater of the Azores' main deep-water port at Ponta Delgada on Sao Miguel Island. It is fre-quently used by NATO ships pa-

NATO also wants to improve port facilities on two other islands - Faial, where new fuel tanks were installed last year, and Flores, where France operates a missile tracking station whose existence was kept secret until 1978.

Of growing interest to the alli-ance is another Portuguese archi-pelago, the Madeira Islands, 550 miles southwest of the Portuguese mainland. Madeira guards the southern approach to Europe and the Strait of Gibraltar. It is also the southernmost point of NATO territory.

The so-called Portuguese triangle between Madeira, Lisbon and the Azores covers the world's most intense concentration of shipping

Madeira, the main island in the group, is unsuitable for building major aero-naval facilities, being

Santo, offers more favorable conditions. Intercontinental jets can touch down on Porto Santo's 2,440-meter runway, and a deepwater port capable of receiving 50,000-ton tankers is under con-

struction. The Portuguese govern-ment is tight-lipped about military plans for Port Santo, but NATO officials see the island as a possible aircraft carrier base. The Communist newspaper O Diario said recently that NATO was contributing \$30 million toward the new harbor and would pay two-thirds of the cost of ex-

nding the airport runway.
Work to upgrade the airfied's facilities is in progress, but NATO sources say that plans for the alliance to fund public works on Porto Santo are still in the formative singes. Nevertheless, the leader of the Madeira regional government, Alberto Joao Jardim, has said that, if NATO wants to use Porto Santo, the richer members of the alli-

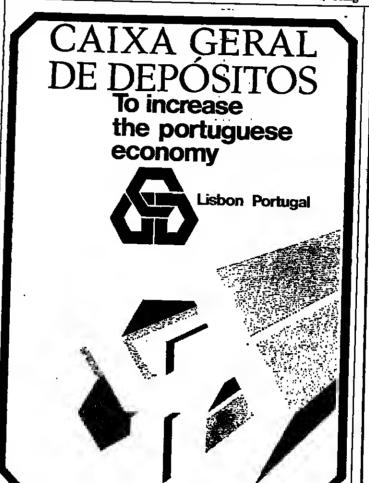
ance will have to pay for infras-tructural improvements.

Madeira has a potential role as a western bridgehead toward Africa and the South Atlantic. Porto San-

to's airfield proved its value in this respect when it was used as a refueling stop for aircraft carrying Belgian troops to Zaire in 1978.

A growing military presence on the island could bring Portugal into conflict with the Organization for African Unity, which has not yet indicated whether it considers the Madeira archipelago to be a colonized. African tribes a colonized African territory and therefore due for independence.

According to military sources, the United States is particularly interested in developing Porto Santo. Washington sees the island as a fallback base if its facilities in Morocco are ever withdrawn. The Spanish Canary Islands lie 300 miles to the south of Madeira, but Madrid has made it clear that NATO will not be granted military facilities there even if Spain even-tually joins the alliance.



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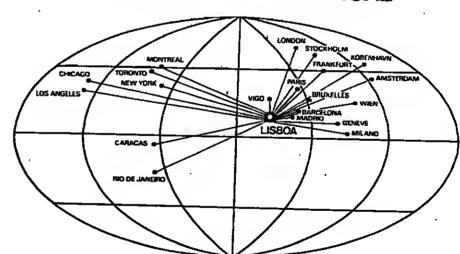
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By Jill Jolliffe

ISBON — A glance at the Portuguese press, heavily politicized since the 1974 revolution, is enough to show that the Portuguese remain deeply divided over the dramatic declaration.

matic decolonization that accompanied the

Rightist newspapers contend that Portugal's withdrawal from Africa and its tiny Southeast Asian colony of East Timor was a

gross betrayal of local populations that led,

cy it has practiced since 1974.

former colonies.

Federation Proposed

April, 1974, by Gen. Antonio de Spinola and

his militiary junta, the idea of benign colon-

ization was in the ascendant. A Portuguesespeaking federation was proposed with the

Gen. Spinola was deposed by the leftist officers in September, 1974, and outright independence became the demand of the day.

That month, Portugal recognized the inde-pendence of Guinea-Bissau. Mozambique's independence came in June, 1975, followed

by the Cape Verde and Sao Tome and Prin-

cipe islands in July and Angola in Novem-

African states was to maintain a militantly

anti-Portuguese attitude, although friendly

links were maintained with Portuguese leftist leaders and with the Portuguese Communist

Party.

The intervening years have seen a thaw.

Portuguese leaders, including President An-

tonio Ramalho Eanes, bave worked to im-prove relations with the African nations.

These efforts met with some initial success in

Angola, Cape Verde, Guinea-Bissau and Sao

Tome and Principe, but were coolly received

in Mozambique, which had a reputation for being more sternly anti-imperialist than the others.

Guinea-Bissau was the country most open

to Portuguese overtures, It was in Bissau

that, in 1978, Mr. Eanes met the late Ango-

lan President Agostinho Neto and signed a trade and cooperation pact with him. When

Mr. Eanes returned to Bissau eight months

Rapprochement with Mozambique proved

more difficult. The first ministerial-level Por-tuguese trade mission to Maputo visited in

March, 1979, but cut short the talks and re-

turned to Lisbon after the Mozambican gov-

later he was feted by large crowds.

After independence the tendency of the

When the dictatorship was overthrown in

-PORTUGAL -

Armed Forces: 'Silent Majority' Commands

majority.

NATO allies.

tion, gave the following assessment of the military's political loyalties:

want is to obey orders transmitted through the correct chain of com-

mand. The remainder are political-

ly motivated and, within that small fringe, the left is probably in the

Under the former dictatorship,

the politically motivated right was in charge of the armed forces. Af-

ter the revolution, it was the leftist fringe. Now the silent majority is

in command. This majority knows

the dangers of politics and blames the politicians both for having in-

volved the army in the African

wars and for having forced it to

make a humiliating retreat from the colonies. The military are only

just beginning to recover from their traumatic experience in Afri-ca and to realize that it has given

them something to teach their

The collapse of the empire

means that the armed forces have

had to be restructured with a view

to a NATO role, rather than a co-

LISBON — If there is a successful military coup in Spain, our democracy will not survive more than 18 months — two years at most," said a leading member of the Socialist Party. This is a widespread feeling among Portuguese politicians weighing the implications of the unsuccess-ful coup on Feb. 23 in Spain.

A coup in Spain would indeed lead to an explosive political situanon in Portugal, but seven years after the revolution the Portuguese military are far too disillusioned to storm the Lisbon parliament.

The Portuguese officers who the Fortiguese officers who been deeply bumiliated. Whether of the left or right, they have seen their ideals trampled. "We did not command an army at that time. We had a bunch of clowns on our hands and were strangers within our own barracks," a major said. A colonel added: "Our commanding officer had a nervous breakdown and that is where I used to sit in the mess with a pistol by my side to cover the window.

The two officers were veterans of the African wars showing a group of Western officers around their regiment. The turmoil in the Portuguese armed forces in 1974 and 1975 encouraged successful movements for military reforms in other NATO countries such as France, Italy and the Netherlands, but there is nothing to recall the revolutions in Portugal's barracks to-

day.

The Portuguese military were forced to do the dirty work of the old regime, fighting the African guerrilla movements in the colonies. After the revolution, they got involved in polices and brought the country to the brink of civil

If there is one thing that the officers are determined to do now, it is to restore Portugal's military credibility. They see this as the only way to make up for the loss of prestige they suffered both at home and abroad during the colonial wars and the revolution.

That - and the fact that, if Spain enters NATO, Portugal will lose a considerable part of its mili-tary leverage — is what is behind the present demands of Portuguese service chiefs that NATO give them new frigates, minesweepers, supersonic fighters, the latest tanks and modern air defense systems.

A Communist officer, who rose lonial one. The army has been cut

to about 30,000 soldiers from 180,000 in 1974, but even that is too large, and the size of the offi-"About 80 percent of the officers are deeply conservative. Precisely because of that, they want nothing to do with the politics. All they cer corps - a relic of the war - is

an obstacle to reform.

There are about 3,000 captains and majors impatient for promotion, 800 lieutenant colunels and colonels, and 60 generals on the army's active list. To appease the junior ranks, the new army chief of staff has decreed that all officers holding army posts in spite of being officially in the reserve will have to give up these jobs by the end of the year.

The return of the troops fram Africa restored the domestic role of the military who have, on and off, determined the country's political course since the beginning of the 19th century. For this reason, the ruling Democrate Alliance's plans to change the constitution to put the armed forces under direct government control is very important. The government also wants new facilities to keep the military

For years, the Portuguese were so pleased to win any kind of international acdceptance that they did not complain about what NATO gave them in return for facilities. Now that the colonial wars are over. Portugal wants more than gifts of surplus equipment to com-pensate it for being, after Britain, the NATO country with the most alliance facilities.

Soares Long On Tenacity

Special to the IHT
ISBON — Mario Soares came in from the cold in 1974 at the head of a Socialist Party born only a year earlier and with none of the organization of the decades-old underground Communist Par-

By 1976, the Socialists had had their baptism of fire in the streets of Lisbon and other cities, and found themselves the winners in the parliamentary elections.

The outcome caught the party on the wrong foot. It had few paidup members but plenty of mili-tants, its organization was haphazard and its ideas only bazily understood by the majority. Neverthe-less, under the charismatic leadership of the 56-year-old Mr. Soares, the Socialists managed precariously to rule the country for two years, A series of crises turned them out of office and as Mr. Soares lost two successive general elections in 1979 and 1980, spurned by many former supporters, it appeared that his days on

the political scene were numbered. But his opponents underestimatnational presuge. A concerted effort failed to oust him at the party congress in May, and Mr. Soares has emerged as the undisputed party leader.

The comeback of Mario Soares will help consolidate Portugal's major opposition party and prepare it as a real power alternative. It will mean an easier passage for controversial revisions of the 1976 constitution that require Mr. Soares' backing in parliament this summer. It also means an end to any Communist hopes for a grand coalition of the left to defeat the conservatives — Mr. Soares is im-placably opposed to the Moscowline Communists, who lobbied in-tensely for his defeat before the party congress. And it will almost certainly mean a Soures bid for the

from President Samora Machel to visit Moin Africa at least, to minority Marxist rezambique soon, and Mr. Eanes accepted. gimes propped up by Cuban military sup-port. To the leftist press, Angola, Mozam-bique and Guinea-Bissau are prosperous na-

seized at independence.

Sign of Times It was a sign of the political times, expressing the concern of the so-called Front-line African states that the United States would tinns whose social problems ended with independence.
Scholars continue to debate whether Por-Scholars continue to debate whether Por-tuguese colonialism was "benign" — even though this concept, encouraged by the pre-revolutionary regime, appeared to have been demolished years ago by the historian Charles Boxer, who demonstrated in his book "Race Relacions in the Portuguese Em-pire" that the idea that Portugal's colonies adopt intervencionist policies in southern Africa. The minister's visit coincided with secret talks in Morocco between U.S. officials and Jonas Savimbi, leader of the Union for and Jonas savimbl, leader of the Constitution the Total Independence of Angola, or UNI-TA, which is fighting a guerrilla war against the Marxist Angolan government.

Portuguese political leaders have publicily opposed U.S. military aid to UNITA, but have much backbone the government policy.

dropped to their lowest ebb since independ-

Portugal continued to administer the Ca-

bora Bassa Dam in Mozambique after 1974,

without serious problems, but there were other constant points of friction, such as out-standing claims for indemnity over property

The visit of Mozambique's Foreign Minis-

ter Joaquim Chissano to Lisbon last March was a turning point in relations. Mr. Chis-

sano carried an invitation to President Eanes

were exceptionally free of racial and relig-The sensitivity of the issue domestically is reflected in Portugal's relations with its former colonies and the variants of foreign poliw much backbone the government policy will have depends on how effectively Premier Francisco Pinto Balsemao can appease UNI-TA supporters within government party

> Portugal now has bilateral trade relations with all its former African colonies and is moving toward closer cooperation with them. Hundreds of Portuguese have returned to Africa since 1974 as aid workers, usually as teachers or economic advisers. A key point of government policy since 1979 has been eagerness to improve relations with "the countries of Portuguese expression," a phrase used frequently in foreign policy cir-

> East Timor, 385 miles (620 kilometers) northwest of Australia, has been a tragic vic-tim of decolonization. When Portugal announced a program of phased withdrawal from the eastern part of the island of Timor in 1974 — the Netherlands governed the larger western section until 1946 — the news was greeted with alarm by the neighboring Indonesian government, which feared that a small independent state in its region could encourage the secessionist movements plagn-ing Jakarta.

Indonesia found an opportunity to inter-vene in a brief civil war that flared in August and September, 1975, leaving about 3,000 casulties and leading Portugal to withdraw. In December, 10 days after the liberation movement Fretilin declared independence, Indonesian troops invaded East Timor.

Refugees from the territory arrive regulary in Lisbon with claims that the Fretilin resistance is continuing, although on a reduced scale, despite Indonesian government disclaimers. They also describe atrocities by the occupation force. About 200,000 of the population of 650,000 are believed to have died from fighting, starvation and executions since 1975. The Indonesian occupation has been condemned in voting at the United Na-tions, which still regards Portugal as the ad-

ministering power. Lisbon took a rather passive position on the issue until last year, when the late con-servative Premier Francisco Sa Carneiro put thorities, executed a Portuguese citizen forward a peace plan for East Timor involvaccused of being a mercenary. Relations ing negotiations with Indonesia, and ap-

Decolonization: The Scars Remain pealed to the international community for

support.

The plan received strong backing from the United Nations and from Portugal's former African colonies, which support Fretilin. However, Indonesia has refused to come to the conference table.

Plan Revived

The present government of Premier Pinto Balsemao has revived Mr. Sa Camero's plan, appealing to UN Secretary-General Kurt Waldheim to take new action. Mr. Waldheim visited Portugal in early May and discussed the Timor problem with Mr. Balsemao and President Eanes.

Macao, Portugal's tiny enclave in China —
officially designated "a Chinese territory inder Portuguese administration" — has resisted all attempts to democratize its colonial status since the 1974 revolution. In this, the local population has been backed by China,

which wished the territory to remain as one of its trading posts to the West.

In 1978 when the term of office of the former governor, Col. Garcia Leandro, ended, President Eanes proposed the nomination of a locally born governor instead of a Portuguese. Peking disapproved, the local population complained, and the idea was dropped. Gen. Nuno Melo Egidio was appropriated and her since here succeeded by pointed, and has since been succeeded by Cmdr. Vasco Almeida e Costa.

More recently, an attempt to alter the 1976 "Organic Law" that administers Macao caused a political storm.

Local Assembly

The local Legislative Assembly elected a four-man committee to propose changes to the law. It suggested a greater say by the community in running Macao, including a proposal that the 17-member assembly, set up after 1974, should be entirely elected; now six deputies are elected directly, six are elected indirectly and five are nominated by

the governor.

China and Portugal established diplomatic relations in March, 1979, and last year Gen. Melo Egidio visited Peking on the first official visit by a governor of Macao since the Portuguese trading establishment was settled in 1557. Deng Xiaoping, now the Chinese Communist Party vice chairman, congratulated the governor on the stability of Macao and stressed that China was opposed to aland stressed that China was opposed to al-

teration of the Organic Law.

In any case it was impossible to effect the proposals. Deputies boycotted the assembly over them and the outcry in Macao was quelled only by a statement of opposition to the proposed changes by Gen. Melo Egidio,

backed by a message from Mr. Eanes.

The result is that the Macanese are a people between governments: They are politically loyal to Peking but are not governed by it, and they are almost untouched by the Portugues of the production of the produc tuguese administration.

Ninety-seven percent of the estimated 400,000 population do not speak Portuguese, Schools are run by the Chinese community, outside the effective control of the Portuguese administration. Nor do most Ma-canese participate in political life. Only 9,724 persons (about the number of resident Portuguese eligible) registered to vote in the last Portuguese elections, and 4,194 for the Leg-

islative Assembly.

The only political institutions in which Macao's Chinese participate are grass-roots tenants' committees and workers' associa-

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Balsemao: Development a Counterweight thermore, the Council of the Revo-lution is the legislative organ of the armed forces. And also, of course, the Council of the Revolution is

(Continued from Page 11S) ical power itself has to be changed,

especially in regard to the exis-tence of the Council of the Revolution as an organ of sovereignty. The council has powers, on the one hand, as a constitutional court, but it is more than a court. It can veto laws proposed by the government and passed by the parliament, declaring them unconstitutional, not

only far juridical reasons but also, if the council's members desire, merely for political reasons. Fur-

not elected. This leads me to a third point, which I think is important. It has to do with the subordination of the armed forces to the democratic, dected civilian power.

I think the armed forces understand very clearly that in a normal Western-type democracy — that's what we want to build — the

cause the government is the execu-tive organ, and therefore the needs of the armed forces can only be met, and the possibilty of accom-plishing a mission within NATO can only be realized, if the government deals with such matters and only if the armed forces act in very close cooperation with, and are integrated into, the government Mr. Baisemao, who had recently met with Spanish Premier Leopol-do Calvo Sotelo, said be did not

believe that unrest among Spanish military men could stimulate similar ambidons of power among Por-tugal's armed forces. "I think that, if the attempted coup of the 23rd of February had been successful in Spain, there would have been no relevant effect on Portugal. First of all, we have a completely different country, and history shows it.

That's why we have been indepen-dant since the 12th century.

"Being different countries, we have undergone separate evolutions throughout our histories.

During recent years also, the evo-lution in Spain was different from the revolution in Portugal, and our armed forces therefore do not have the same characteristics. I don't believe there will be any tempta-tion in Portugal, as far as the armed forces are concerned, to follow the example.
"We could have some indirect

effects, however. It's a very open border. Spain is on our way to Eu-rope, geographically speaking, and this could have caused some problems. But happily the coup was aborted, and happily Spain is liv-ing in democracy, and we are very glad about that, not only because we like our neighbors and good friends in Spain to live in democra-cy but also because some of the problems that could have emerged for us did not emerge."



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Page 15 Wednesday, June 3, 1981 *S

BUSINESS NEWS BRIEFS

Burmah Sues Bank of England for £1 Billion

LONDON — A British oil company Tresday claimed compensation of fl billion from the Bank of England in one of the biggest commercial actions ever mouoted in the London high court.

Burmah Oil, which was rescued by the bank after it ran into financial difficulties in 1974, says the bank took unfair advantage of it. The bank had bought Burmah's 20.1 percent shareholding in British Petroleum, then worth £179 million, for a low price, and the shares then rose spec-

tacularly in value, Burmah told the court.

Burmah seeks to recover the current value of the BP shares.

U.S. Auto Production Rises 26% in May

The Associated Press

DETROIT — U.S. domestic auto production in May was up 26 percent from the same month last year, and an industry trade journal pre-dicts an even bigger increase for June.

According to company reports Monday, U.S. automakers built 712,783 cars in May, compared with 565,758 in May 1980.

Meanwhile, Ward's Automotive Reports said the major car companies plan to build 713,000 cars in June a 34-percent increase from June last year, when the industry was near the low point of the current recession, and the highest monthly total in 20 months.

De Beers Zaire Contract Not Renewed

LONDON — The contract und T which De Beers Consolidated Mines Ltd.'s Central Selling Organization marketed Zaire diamonds, which exnired May 31, has not been renewed, a De Beers spokesman said Tues-

Negotiations to renew the cootract were beld recently between the CSO and Sozacom. Zaire's state mining and metal marketing agency, but have been discontinued, he said. .

Boeing to Reduce Production of 747s, 727s United Press Internationa

SEATTLE - Boeing is cutting back production of two of its historically best-selling jetliners this year and next because of falling demand for aircraft that are not fuel-efficient, shareholders were told.

Chairman T.A. Wilson said at the annual meeting Monday that production of the 747 jumbo jet and the 727 will be reduced about 30 percent this year. He said that probably would mean a significant reduction in earnings for the giant aerospace firm, which has been reporting record profits and sales in recent years.

New Well Is Confirmed Off Northwest Japan

TOKYO - New Japan Sea Exploration said Tuesday it has confirmed that its third test well off Aga. In northwestern Japan, will have a maximum production capacity of 5,400 barrels of crude oil and 90,000 cubic

meters (3:2 million cubic feet) of natural gas a day.

The company, a sobsidiary of Idemitsu Petroleum Development, recently struck oil at the test drilling well in the Aga area. A decision on commercial production depends oo the drilling of a fourth well scheduled for November, it said.

Rates to Follow Inflation Down, Says Weidenbaum

By Axel Krause

al Herold Tribune PARIS - High U.S. interest rates will only begin to decline when the Reagan administration brings inflation under control, Murray L. Weidenbaum, chairman of the U.S. Council of Economic Advisers, said Tuesday evening.

Addressing a gathering of French business, banking and government officials in Paris — and partly answering recent, blunt. warnings from European leaders about the high rates, Mr. Weidenbaum said that "it should be clearly understood that the United States is consciously following a of economic policies which will to lower interest rates ... lower interest rates will

follow from lower inflation rates." The U.S. official also indicated that interest rate policy was not a subject for negotiation at an international meeting of policy-makers, such as the seven-nation summit meeting scheduled for Ottawa in July — a suggestion regularly men-tioned in conversations by European government banking and mon-

tary officials. Mr. Weidenbaum said that the administration welcomed opportunities to discuss the issue, stressing in his talk that "we are sensitive to your concerns regarding high in-terest rates in the United States and their implications for exchange rates." However, he apparently ruled out any form of negoti-

ation with the Europeans or changing the U.S. policy. Referring to policy under previ-ous Democratic administrations, the U.S. official said that "our program is designed to avoid the errors of the past — misgnided ef-forts to lower interest rates temporarily by pursuing an expansionary monetary policy which then only led to increased inflationary pres-sures and ultimately higher interest

Those attending the gathering, sponsored by the French Institute of International Relations, a con-

China Investment Policy

PEKING - China will continue its open-door policy and encour-age foreign investment during the current phase of economic belttightening, Deputy Premier Gu Mu said. In an interview with the new English-language China Daily, Mr. Gu said the retrenchment measures are showing better results than expected.

profit research organization, were skeptical about the possibilities of finding a common meeting ground with the U.S. approach, particularly over interest rates and which one banker described as "a dia-

Jogue of the deaf." Thierry de Montbrial, director of the institute, told Mr. Weiden-baum that "you appear to be say-ing that what is good for the United States is good for the world."

From Agency Disposeries
BUENOS AIRES - Argentina

devalued the peso by 30 percent Tuesday in a bid to stop a run on

foreign exchange reserves that forced the central bank to spend

more than \$300 million on Friday

nouncement Monday night, Economy Minister Lorenzo Sigant also

further 6 percent during June and thereafter the real parity of the peso will be maintained. Financial

sources said they interpret this as

meaning the peso will be devaloed

The run on reserves was spurred

by a warning published in a news-

paper that an economic collapse was imminent without drastic mea-

sures, The "high level source" cited

by the newspaper, was Trade Min-ister Carlos Garcia Martinez, who

suggested another large devalua-tion was necessary.

The devaluation - which fol-

lows ones of 10 percent in Febru-

ary and 28 percent in April, as well

as smaller monthly devaluations -

is another step by the two-month-

old military government of President Roberto E. Viola away from

the previous government's infla-

Peso Overvalued The previous government relied

on an artificially overvalued peso to bring the inflation rate down from more than 500 percent in

1976 to about 80 percent last year. The strategy, combined with a tearing down of tariffs that for decades had protected local indus-

tion-fighting strategy.

to offset inflation.

In a nationally broadcast an-

the peso will be devalued a

W. German **Trade Shifts Into Surplus**

Manufacturers Post Rise in Production

WIESBADEN — West Germaoy's trade balance swing sharply
into the black in April with a 3.3billion Deutsche mark surplus following a 135-million DM deficit in
March, the Federal Statistics Off-

ice reported Tuesday.

The surging trade surplus in turn belped slash the provisional April deficit in the current account, which covers trade as well as "invisibles" such as tourism. It narrowed provisionally to 400 miltion DM from a March deficit of 2.7 billion DM, the office said. The current account had a 2.2

In Bonn, the Economics Ministry reported that the seasonally-adjusted production of the country's manufacturing industries rose 1 percent in April from March after falling 3.5 percent in March from

billion DM shortfall in April,

However, the ministry said in-dustrial output, a better indicator of the overall trend of production, was unchanged in the March-April period from January-February, but 4 percent down from the year-earlier two-month period.

With exports in the first four months surpassing imports by 124.8 billion DM to 121.7 billion DM, the current account deficit so far in 1981 bas been held to 9.4 billion DM. Services and supplementary trade items have recorded a 4.7 billion DM deficit and trans-fers were in the red by 7.8 billion DM, the statistics office said.

Commercial bank economists said there were grounds for cauthough not all the signs were eo-

Despite the fact that April's trade balance was triple the 1.10 billion DM surplus recorded in April, 1980, they said the 10.7-per-cent drop in April imports to 30.27 billion DM had been due in large part to lower oil imports and that a stronger U.S. dollar could cut into May and June trade results by raising the country's oil bill.

The stronger dollar could also increase tourist spending abroad during the summer and thus widen the current-account deficit.

As well there has been specula tion in the press about alleged dif-Commenting on the virtually ficulties in raising new credits non-existant prospects of Some from Saudi Arabia. Finance Ministorm of transatlantic negotiation, ter Hans Matthoefer said Tuesday in Bonn that Saudi Arabia has informed West Germany that it is prepared to consider taking up further West German promissory

Argentina Slashes Value of Peso 30%

Agricultural exporters, who ac-count for three fourths of what Ar-

gentina sells abroad, were priced oot of many markets. Jorge Agua-

do, minister of agriculture and

livestock, said recently the over-valued peso cost farmers and

ranchers more than \$10 billion

Prior to Mr. Sigaut's announce-

ment, an economy ministry spokesman said the president and

vice present of the Argentine cen-

Egidio Ianella, the president of the National Development Bank, was appointed central bank presi-

dent, replacing Julio Gomez, and Manuel Gonzalez Abad, a director

of the development bank and dean

of economic sciences at the Argen-tine Catholic university, was named vice president, replacing

Credit Guarantees

will gnarantee an exchange rate for credits taken out by the private sector for longer than 18 months and that companies with foreign

debt contracted between Jan. 1

and May 29 will be given special consideration and suitable mea-

sures would be announced.

Mr. Sigaut said the government

over the past two years.

tral bank had resigned.

Martin Lagos.

Reagan Winning Over Europe

By Hobart Rowen Washington Past Service

LAUSANNE, Switzerland - President Reagan has woo the grudging admiration and applause of the European financial community for the revival of the U.S. ecocomy - and the American spirit. But his audience bere gives him a negative score so far on international economics.

The plus-marks on the domestic side are accorded Mr. Reagan despite rising U.S. interest rates in the United States that have pushed the dollar so high that even the Deutsche mark and

Swiss franc have been bumbled.

In interviews with key Swiss bankers, there was a striking unanimity of opinion favorable to Reagan's domestic program, and a belief that he is successfully restoring U.S. power in the world.

"The strong dollar reflects a new wave of confidence in the American economy," said Franz Lotolf of the Swiss Bank Corp.

"Reagan was underrated in Europe, and underrated by me as well," Fritz Leutwiler, the bead of the Swiss National Bank, said in an interview in

What has impressed the bankers is the way Mr. Reagan assigned his top priority to ecocomic re-covery, jammed through unprecedented budget reductions, and arrived early at n point where he can get most of his tax cut through—or delay it if he decides the ecocomy oeeds less stimulation. Mr. Leutwiler guessed that the rate of U.S. in-

flauloo "will drop to eight percent or eveo seveo by the end of the year." pulling interest rates down significantly.

Mostly, the bankers shake their beads in a mixture of disbelief and bewilderment at the first

quarter real-growth of 8.4 percent at an annual rate in the United States, accompanied by a fall in inflation —despite 20 percent interest rates. Where Europeans find Reaganomics the weak-est is in its foreign policy aspect. This is not so much a reaction to high U.S. interest rates, but a concern over the almost isolationist tone of U.S.

international ecocomic pobcy under Mr. Reagan. All over Europe there is concern, for example over under secretary of Treasury Beryl Sprinkel's enunciation of a hands-off policy on U.S. intervention in foreign exchange markets, except in crises, or to stabilize "disorderly" markets.

Storm Calming

"We felt it was completely unnecessary to say it," Mr. Leutwiler said, "especially at a time when the central banks of the United States, West Germany, Switzerland, and Japan declared their cooperation had improved."

Actually, that storm is calming down. As-surances have since been received from the Reagan administration that it is just as anxious as European governments to coordinate policy.

What will be more difficult to shake, the bankers feel, is the president's Boy Scout-like faith in the ability of the private sector to play a more prominent role in financing Third World aid and investment. Throughout Western Europe, there is fear that ideology on this score is getting in the way of practical good sense.

Most West European financial men are as dedi-cated as Mr. Reagan to a market-oriented system. But they also see the world going through a painful adjustment period, with huge debts to be fi-oanced. They anticipate that with some additional experience, the Reagan administration will become more sophisticated in international affairs. At least, they bope so. "The danger." Lord Har-

old Lever, long-time confidant of past British governments, said in London "is that [otherwise] the deficit burden will fall on the weakest ones."

Dollar Hits New High Against Franc, Lira

LONDON - The U.S. dollar, bolstered by signs that the muchheralded drop in U.S. interest rates will be slow in coming surged Tuesday to record highs against foreign currencies in Paris and Milan. Gold fell \$10 an ounce in Zurich to \$473.50 a troy ounce and

\$5.50 in Loodon to \$476.
The dollar also reached a fouryear high against the Deutsche mark and the Swiss franc and a two-year high in relation to the British pound.

But traders described the volume of trading as low.

Dealers attribute the dollar's strength to U.S. interest rates remaining at high levels, although most major U.S. banks lowered their prime leading rates Tuesday from 201/2 percent to 20 percent. Continued coocern about political stability in Europe offered the backdrop for dollar support.

Trend 'Upwards'

"The general trend for the dollar is still upwards," said a foreign ex-change dealer in Zurich. The federal funds rate, which opened at 19½ percent and rose to 20 percent before falling back, was a major factor contributing to the dollar's strength, dealers said

Tuesday. The rate jumped to 20 percent from around 18 percent Monday after unexpected attempts by the Treasury to alleviate a temporary cash shortage by draining reserves from the banking system.

Dealers said they believed the Fed had oever drained reserves with the funds rate at such a high level, although they said the Fed's operation was widely viewed as a move to offset seasonal factors and

not as a bid to tighten money market cooditions. Although this technical drain is likely to be reversed later io the week, the rise it caused in the Fed funds rate was enough to push other short-term U.S. interest rates

Analysts bad expected a general decline in interest rates to begin Monday, largely because the Fed reported Friday that the U.S. moo-ey supply had declined in the latest reporting week. That was viewed as an indicator that the Fed had money supply growth uoder cootrol as a defense against inflatioo and would not further tighten

rise of more than 1.5 yen in Tokyo to 223.20 yen, compared with Monday's 221.65.

The dollar's biggest jump was in

The day began with the dollar's

Milan where it surged 16.25 live to a new high of 1,174.75 lire. In Paris, it jumped rose from 5.5435 Mooday to its highest level ever of 5.6265 francs at the fixing before falling off in late trading.

The dollar's strength belped to drive down the Bourse indicator 1.9 percent. The selling spree con-tinued the run on stocks that hit

the exchange Monday after the publication of opinion polls indi-cating that the leftist parties will win a majority in the French legislative elections later this month.

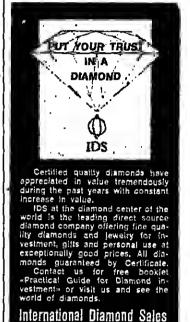
The dollar elosed io Frankfurt at 2.3640 DM, up from 2.3285 Monday. Foreign exchange dealers

said interest rate considerations were eclipsed by persisting concern io the market over the future of the Deutsche mark.
In London, the pound lost more than I cent to fall below \$2.05 for

the first time sioce May 22, 1979. The pound fell to \$2,0405, down from Monday's \$2,0587.

In New York, the dollar opened very firm from Monday's close of 2.3495, rising above 2.37 DM at midsession before easing slightly, dealers said. They attributed the drop to profit-taking and evening out of positions. Short-term interest rates in the

United States traded erratically but with a generally firmer tooe Tuesday, dealers said.



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The federal fuods rates banks charge one another for overnight

From Agency Dispatches
NEW YORK — Worries about the interest rate outlook pushed prices oo the the New York Stock Exchange lower Tuesday, with the decline accelerating towards the close of trading amid questions about whether a substantial downturn in interest rates is imminent.

The Dow Jones industrial average fell 10.48 points to close at 987.48. The iodex gained 6.21 points Mooday after being up oearly 12 points to 1.003 at mid-

Declines outpaced advances more than two to one as volume narrowed to 53,93 million shares from 62.17 million Monday. The higher volumes lately indicate institutions are becoming more ac-

Prices were lower in active trading of American Stock Exchange Analysts said the market histori-

cally has encountered profit-taking problems when the Dow industrial average gets to the 1,000 level. Some investors have automatic selling programs at that harrier.

The market's problems were compounded part of the day by the investment community's confusion over the fact that some interest rates were declining while

Financing and pro-financing for

oon-tradioonal exports will be im-

proved, he said, and excessive spending on tourism and other for-

eign services will be checked, thus

helping to improve the current ac-

Mr. Sigaut said the oew mea-

sures should lead to a surplus in

the trade balance, which has been

in deficit this year, as earnings from both traditional and non-

traditional exports will rise while

Foreign reserves have declined

from more than \$10 billion at the

beginning of 1980 to less than \$4

6 Unions End Strike

In Chile; 2 Continue

Reuters
RANCAGUA. Chile — Six min-

ers unions have agreed to end a 41-day strike at the state-owned El

Teniente copper mine, a union of-

ficial said Tuesday.

He said \$200 union members will receive a 2-percent pay rise after inflation, and a \$450 bonus.

Two unions at the adjacent Cale-

tones refinery remained on strike.

count in the rest of 1981.

imports will fall.

billion last month,

others were rising at the same time. loans soared Monday and temporarily dashed investor hopes that interest rates have peaked. Some experts said the rise was a fluke.

Wall Street Prices Fall; Trading Active

At the same time, several major banks bave lowered the prime lending rate they charge top corpo-rate customers a balf point to 20 percent. Bank of America and Crtibank, the two largest U.S. banks. cut their rate early in the day. The prime cut was sparked by

the Federal Reserve's report last Friday that the U.S. mooey supply dropped \$1.2 billioo. That was the second consecutive money decline and indicated the Fed may not have to restrain credit as much in the future as in the past year or so. Investors also were watching

with interest the battle between President Reagan and Democrats regarding his proposed three-year, 30-percent tax cut.

The president apparently is willing to accept a slimmed-down tax cut of 25 percent spread over three years. Many expect a resolution of the issue soon.

The Commerce Department reported, meanwhile, that sales of oew U.S. single family homes declioed 13.5 percent in April to a seasooally adjusted annual rate of 441,000 after an increase of 1.4 percent in March. The department also said new

orders received by manufacturers fell \$1.37 billion, or 0.8 percent, in April to a seasonally adjusted \$163,33 billion. On the trading floor, weakness

in the oils was a major factor in the overall market decline. Volume leader Keonecott

climbed 11/2 to 611/2 after the Federal Trade Commissioo said it would not challenge the proposed merger of Kennecott and Standard Oil of Ohio. Sohio lost 11/8 to 431/4. IBM was active but declined 1/4 to 59%. The stock scored well

Monday after the company asked the Justice Department for talks to resolve a 12-year-old antitrust suit. American Telephooe & Teleraph, which dropped 1% points Monday, lost another is to close at 56%. The company has au-oounced plans to sell 15 million

new shares this mooth.

Annual General Meeting

of April 29, 1981

At the Annual General Meeting on April 29, 1981 chaired by Chairman François Giscard d'Estaing with the assistance of Honorary Chairman Georges Assémat and Genéral Manager Albert Bouvier, the shareholders of BFCE heard the Chairman's letter and the Board's and Auditor's reports, and approved the 1980 balance sheet and income statement and the appropriation of

the year's results. The bank's total assets "France and Abroad" at December 31, 1980 stood at 159.7 billion francs, 14.1% higher than the figure of 140 billion a year earlier. The increase is attributable to: a 17.1% rise in banking uses and customer credits to a total of 40.1 billion francs, divided roughly evenly between francs and other currencies as compared with a 60%/40% breakdown in 1979.

This trend is due to expansion, particularly abroad, of "foreign currency" operations, financed in part out of the proceeds of a third floating-rate bond issue of US\$40 million, while "franc" operations were still subject to credit restrictions which were relaxed early in the year by a 100,000,000-franc new share issue and 300,000,000 francs of bond issues.

a 13% increase in short, medium and long term export financing requiring BFCE's intervention.

The aggregate exceeded 106 billion francs and accounts for 66.4% of the total assets. Including memorandum items, the increase was 7.3% in short term, 18.9% in medium term and 16.2% in long term.

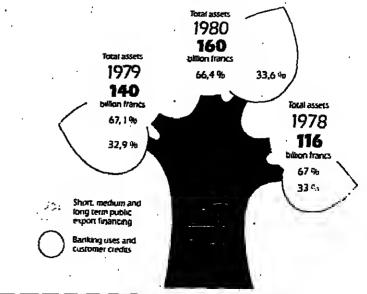
The income statement reflected a gross banking profit of 1,106 million francs, after 828.1 the year before, most of the 33.6% advance deriving from the combination of an appreciable enhancement of working capital and customer deposits and an improvement in reinvestment conditions in the latter half of the year, as well as from the high volume of letter of credit and guaranty business. After the customary appropriations, including 10.200,000 F to the employee profit-sharing, 40,000,000 F for corporate income taxes and a substantially larger transfer to provisions for credit risks, the net profit was 60,400,000 francs, a 32% increment roughly corresponding to the gross banking profit increase.

At the same 7 %% rate on a larger capital, the dividend is up from 15 to 22 1/2 million francs, and 19,500,000 F were appropriated to reserves as against 13,700,000 in 1979.

BFCE now has shareholders' equity and long term resources totalling nearly 1.8 billion francs.



BANQUE FRANÇAISE DU COMMERCE EXTERIEUR



an inc chalconsing

Conference.



The second annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties," will take place September 28 and 29 in London:

Sheikh Ahmed Zaki Yamani, Minister of Petroleum and Mineral Resources, Saudi Arabia, will head a list of distinguished speakers from industry and government around the world. Among the subjects to be discussed will be the supply-demand outlook, financing oil production, the impact of politics on future oil policies, alternative energy resources and related issues.

For further information, please contact the International Herald Tribune, Conference Dept. 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747-12-65. Telex: 612832.

and the content man return or training or

try, caused of hundreds of compa-nies to fold since they were unable to compete with a flood of imports and squeezed by interest rates that topped 150 percent annually. **CURRENCY RATES**

Interbank exchange rates for June 2, 1981, excluding bank service charges.

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Oil and Money London, Sept. 28-29.

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To our readers

2015年,我从外的条件以外,在1774年,1787年,1

Japan Fails To Budge on **EEC Trade**

BRUSSELS - The European Economic Community's top trade negotiator said Tuesday that talks on trade restraint with Japanese officials here had amounted to pretty much hear zero," and he urged the 10 EEC countries to take new action to pressure Japan to moderate exports.

Sir Roy Denman, the EEC external affairs director, told a news conference that talks Monday and Tuesday with Japan's deputy for-eign minister, Kiyaoki Kikuchi, re-

eign minister, Kiyaoki Kikuchi, re-sulted in virtually "no progress."

The commission had been hoping for moves from Japan both to restrain a flood of exports to Enrope and to open the Japanese

market to more Enropean goods.

The next step, Sir Roy said, would be to ask EEC loosign ministers at a meeting June 23 to decide on new action. The foreign ministers asked Japan in February to voluntarily cut exports of cars, television sets and other goods to

We've seen no figures yet that demonstrate in any of these sectors the moderation the council had expected," Sir Roy said.
"We're very disappointed with
the results," he added.

Cars to Cookies

Sir Roy ticked off a list of about 15 commodities ranging from cars to cookies, over which the EEC is seeking either a moderation of exports or relaxation of tariffs to al-low European goods to compete in Japan. After nearly every item he added the words, "No progress." Further talks will be held here

June 17 with Rokusuke Tanaka, Japan's trade minister. Sir Roy quoted recently released statistics, mostly from Japanese sources, to support his assertion the trade deficit is "not only

alarmingly large but rapidly in-He said the EEC deficit with Japan, up 57 percent last year to \$11. billion, has jumped by 45 percent in the first four months of this year

over a corresponding 1980 period. Japanese auto exports to the Common Market are running 20 percent higher than in 1980, according to the Japanese statistics. Sir Roy said the Japanese had repeated their rejection of any general restraint agreement on car ex-

ports to the European community as long as individual EEC states kept national import curbs in place, Italy, France and Britain already apply quota restrictions.

COMPANY REPORTS

Revenue and profits, in millions, one in local · currencies unless otherwise indicated.

DLUGIN		
Reed	Inte	rnation
Year		1980
Revenue	400	7,480.0
Profits		39.1
Per Share	,	0.34

France		
Societe	Generale	
Year	1788	19
Net Income	1,010.0	821
Per Shore	18.9	7
Japan	*******	

Per Shore	18.0	MI
Japan Mitsubis	hi Metal	
Year	1988 127,590.0	1979 335,110.0
Profits		2,040.0
United States		
Cities in		

New Camera Prompts Review of Polaroid

By Gene G. Marcial

AP-Dow Jones NEW YORK - With Polaroid attempting to focus attention on its new electronic cam-era and high-speed film, Wall Street is trying to get a clearer picture of the company.

Several Polaroid followers have expressed bullish opinions on the stock for this year and next, in part because of the new camera and film introduced last week, called the 600 system. There are disbelievers, however, and at least one analyst reinstated his sell recommendation on Polaroid on Friday.

Richard Smoon, an analyst at Goldman, Sachs & Co., withdrew a sell recommendation a few days before the unveiling of the new camera and film last Wednesday, but reinstated his sell opinion Friday, after evalnating the system.

One of his concerns is the reaction of the consumer, which he expects will not be very enthusiastic. "The new camera gives the consumer tremendous value for his dollar, but he won't ... appreciate some of the refine-ments," Mr. Simon said.

The system uses an integrated electronic flash and film with a speed rating of 600 ASA, the fastest, most light-sensitive color print film on the market.

"It's awfully hard to call the earnings on the stock," Mr. Simon added, "and the risk

is greater in being in the stock than in being out of it and missing the move."

Several Polaroid watchers disagree, however. "I'm impressed by the system, although it may take some time to explain the value and appeal of the system to consumers," said Peter J. Enderlin, of Smith Barney, Harris Upham & Co., who believes the stock "fundamentally is a good buy."

Eugene G. Glazier, vice president at Dean Witter Reynolds, is convinced the new product will help Polaroid in arresting a decline in unit volume. He concedes that the new system's advantages will not be apparent immediately to the average consumer.

There will be a particular need for an advertising campaign by Polaroid to communicate the system's unusual features, analysts

They expect the new camera and film will begin to help earnings by the fourth quarter of this year or the first quarter of next year. The new product, in combination with a better economy and improved consumerspending environment, will give a very strong impetus to Polaroid earnings next year," said Mr. Glazier, who figures the company will boost per-share earnings to \$2.70 this year and \$3.85 next year, from last year's

Mr. Glazier particularly emphasizes Po-

laroid's efforts at bringing costs "under very right control in the past year."

Ty Govatos, vice president at Bache Halsey Stuart Shields, reiterated his purchase recommendation on the stock, asserting that the "new system substantially enhances Po-laroid's longer-term outlook." But he advises against buying the stock solely because of the new camera and film.

Tom Henwood, vice president at First Boston, said he does not think Polaroid earn-ings will be "within my initial expectations," largely because of the strength of the dollar against European currencies. He noted that 70 percent of Polaroid earnings are generated outside the United States.

Brenda Lee Landry, analyst at Morgan Stanley & Co., expects Polaroid to post flat earnings this year and estimates it will earn between \$3.50 and \$4 next year. She also is impressed by the new 600 system, and recommends Polaroid as a long-term buy.

A problem Polaroid may face, analysts say, is the possibility that Eastman Kodak may come out next year with a new line to compete with Polaroid's new products. Ms. Landry expects Kodak's earnings to leap to between \$8.15 and \$8.40 a share this year, and to the \$9.50-\$10 range in 1982, from 1980's adjusted \$7.15.

Hudson's Bay's Huge Holdings Behind Dome Interest

New York Times Service

TORONTO — In 1869 the Hudson's Bay Co., founded in England
in 1670 as a fur trading concern
completed as oil or gas wells," ac-New York Times Service cording to G.J. Maier, the company's chairman. "We more than re-placed the volumes of petroleum based in Canada, was granted by Queen Victoria one-twentieth of all lands surveyed for 50 years in the area north of the United liquids that we produced, so that our reserves increased by over a million barrels," he said, adding States, east of the Rockies and west of Lake Winnipeg. that natural gas reserve additions exceeded production by more than

That grant subsequently provided a vast endowment for the Hudson's Bay Oil and Gas Co., which 50 percent. was set up in 1926 as a joint ven-ture between the parent trading company and Continental Oil,

8.9 million acres in foreign areas. It is also the second-largest natural gas producer in Canada, with the highest gas reserves per acre.

It is this legacy of land and the potential energy wealth trapped beneath it that made Hudson's Bay Oil, now controlled by Conoco, attractive to Dome Petroleum of Calgary, Alta. Monday, Conoco agreed to accept \$1.68 billion from Dome for its 52.9 percent interest in Hudson's Bay Oil.

Development Potential

Under that agreement, Dome will pay Conoco \$245 million in cash and 22 million shares of Conoco stock that it bought last week for \$1.43 billion.

As a recent research report by Richardson Securities of Canada said: "Hudson's Bay Oil has one of the largest inventories of unde-veloped land in western Canada ... This is thought to provide substantial exploration and development potential for the company."

Analysts say Canada's nationalistic policies on energy develop-ment combined with Dome's tax situation make Hudson's Bay Oil potentially more profitable under Dome's control than under Cono-

Paul Ziff, an oil analyst in Cal-gary for Greenshields, a brokerage firm, said that Hudson's Bay Oil has a high concentration of land in Alberta, and Dome has consistently sought out land-rich compa-

Land Position

The Richardson report describes Hudson's Bay Oil's 5.7 million acres in western Canada as "one of the largest land positions in the in-dustry." The report went on, "It is nicely complemented by a further 7.9 million net acres in Canada's frontier areas [the East Coast, the Northwest Territories and the Arctic Islands and by an additional 1960 tic Islands] and by an addition 1969 and so million net acres in various fo 497 cign areas, including Indonesia. 8.9 million net acres in various for-

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M. Bowling, Sales & Marketing Randy Edgemon, President

nine other countries, where it drilled 51 wells last year; of the successful ones, 37 were oil wells and two were gas wells, with a suc-cess ratio similar to that of their Canadian operations, Mr. Maier

> "Indonesia is still our most successful area of operations, and encouraging discoveries were made there last year," Mr. Maier said. Hudson's Bay Oil, with assets of

company and Continental Oil, U.S. Trade Unit Urges End Hudson's Bay Oil now comtrols To Quota on Shoe Imports

By Clyde H. Farnsworth New York Times Service

WASHINGTON - An interagency trade advisory group has recommended to President Reagan that he terminate quotas on shoe imports from Taiwan and South Korea, which account for 50 percent of the footwear shipments to the United States, an administration official said Monday.

The staff of the Treasury, State, Labor and Commerce Departments, the Council of Economic Advisers, the Office of Management and Budget and the U.S. trade representative came to a consensus that the quotas be eliminated as a signal of the administration's commitment to free trade. The case comes before the president following some criticism from

ministration bowed to protectionist forces in pressing Japan recently to restrain exports of autos to the United States during the next

Administration officials said the sufficiently competitive.

departments and agencies usually take conflicting positions on trade

The domestic industry has been lobbying Congress and the White House in efforts to convince Mr. Reagan to maintain the quotas on imports from both countries for another three years.

If they are not renewed by the president, the quotas would be dismantled at the end of this month,

The International Trade Commission, a government fact-finding body for trade cases, ruled April 9 that termination of the quotas on Taiwan before June 30, 1983, would have an adverse impact on the domestic industry.

But it decided 3 to 1 that lifting liberal trade advocates that the adthe quotas on imports from South Korea would not be damaging because the segment of the domestic industry that makes the types of footwear South Korea ships mainly athletic shoes - is already

The First Boston Corporation

Merrill Lynch White Weld Capital Markets Group
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Bear, Stearns & Co.

Donaldson, Lufkin & Jenrette

L. F. Rothschild, Unterberg, Towbin

Kidder, Peabody & Co.

(\$997 million U.S.) as of Dec. 31, 1980, reported net profits last year of \$145.4 million, or \$1.92 a share, up 10.2 percent from \$131.9 million, or \$1.74, in 1979, Revenues rose 25.1 percent, to \$604.7 million from \$483.2 million.

In the first quarter of 1981, net earnings declined 43.2 percent, to \$21.6 million, on a 21.2 percent increase in revenues, to \$173.5 million from \$143.2 million. Mr. Maier attributed the earnings decline to new and higher federal en-

R.F. Haskayne, the company's president, said a year ago that the company expected to invest up-ward of \$7 billion in the next dec-

But the announcement of Canada's National Energy Program last October disrupted those plans. As a result, the company's revised budget for 1981 provides \$203 million for petroleum exploration and development in Canada, down from \$378 million, and \$18 million for the oil sands program, down from \$53 million.

The National Energy Program has as a primary aim the doubling of domestic ownership by 1990 to least 50 percent in an industry dominated by foreign-owned com-panies. Under Conoco's control, Hudson's Bay Oil does not qualify for any incentive grants.

But William Magee, vice president of Nesbitt Thomson Bongard, a charter investment dealer, calculated that, under Dome's control, Hudson's Bay Oil "would qualify for maximum federal exploration incentives" of 80 cents for every \$1

All of these securities having been sold, this announcement appears solely for purposes of information.

2,100,000

Wendy's International, Inc.

Common Shares

Of the Common Shares offered, 2,000,000 are being sold by the Company and 100,000 are being sold by a shareholder.

Blyth Eastman Paine Webber

Lazard Frères & Co.

Goldman, Sachs & Co.

Salomon Brothers

Warburg Paribas Becker Wertheim & Co., Inc. Dean Witter Reynolds Inc. Montgomery Securities

New Court Securities Corporation

Major Banks Offer Money Market Notes

By James L. Rowe Jr. Washington Post Service

NEW YORK -- Two more major banks Monday took direct aim at money-market mutual funds and announced that they would offer \$100 million of so-called monev-market notes in minimum, consumer-sized denominations of

Chase Manhattan Corp. and Continental Illinois Corp., the par-ent companies of the big New York and Chicago banks, said the seven-year notes would have their interest rates adjusted every Wednesday in line with the rate paid on one-month commercial paper. The notes would yield about 17.15 percent, based on the weekly report of commercial paper rates released by the Federal Reserve. Although the interest is adjusted

weekly, it will be paid monthly. In Geneva, meanwhile, Federal Reserve Board chairman Paul A. Volcker said that the variety of new investments being created by investment firms and banks need to be reviewed to see whether they should be "brought under con-

trois."
The Reagan administration says it opposes any controls on money-market mutual funds, high-yielding investments which bankers claim have drawn off billions of dollars of their deposits. Banks cannot run money-market funds. But the new notes are aimed at competing with the money-market funds for consumer dollars, according to Frederick Pape, manag-ing director of Merrill Lynch, Pi-erce, Fenner & Smith.

Merrill Lynch, which runs the oiggest money-market mutual fund, is the lead underwriter for Chase and Continental, as well as Manufacturers Hanover Corp., parent of the nation's fourth-biggest bank, which pioneered the seven-year money-market notes last week.

Joseph Connolly, senior vice president for finance at Manufacturers, said the notes compete with all money-market instruments.

1 Billion Acres To Open in U.S.

OKLAHOMA CITY - One biltion acres of federal land will be opened for petroleum development during the next five years, Energy Secretary James B. Edwards has

He said Monday that figure compared with only 40 million acres of federal land developed in the last 28 years. Speaking at a dedication for a drilling rig. Mr. Edwards said 66 percent of the country's energy resources have been locked up in about 34 percent of federal lands.

He said some of the federal land to be opened would be offshore and 100 million acres would be in Alaska. He said he and Interior Secretary James G. Watt are working to free 200 million acres per year of federal land for energy ex-ploration during the next five

May 22, 1981

The Ohio Company

Dillon, Read & Co. Inc.

E. F. Hutton & Company Inc.

Lehman Brothers Kuhn Loeb

Smith Barney, Harris Upham & Co.

Oppenheimer & Co., Inc.

But most money-market instruments, such as certificates of deposit, or CDs, are issued in big de-

nominations. The new seven-year notes, which still must go through procedures at the Securities and Exchange Commission, are issued in small enough denominations to appeal to small savers.

Money-market funds, which are run by brokers, pool investors' deposits and buy money-market instruments. Money-market funds, on average, yield about 15 percent today. Money-market funds generally permit investors to write checks on their deposits and to withdraw their funds at any time.

Unlike money-market funds, which will pay an investor his deposit immediately, purchasers of the money-market notes would have to sell them to another inves-

would have to sell a stock or bond. But Mr. Connolly of Manufacturers Hanover said that because the interest on the notes is adjusted weekly, the price of the notes should not fluctuate very much.

Help for Thrifts Considered NEW YORK (Reuters) - The U.S. Treasury and regulatory bodies are together considering meth-

ods to help troubled savings and loan associations by bolstering their net worth, a Treasury official told a news conference that pro-

Roger Mehle, deputy Treasury secretary for domestic finance, viding the savings institutions with letters of credit to boost their net worth would be "a proper ap-proach to the problem."

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Paying Agent

Luxembourg, May 27, 1981.

G.T. INVESTMENT FUND

Société anonyme

Registered Office: Luxembourg, 14, rue Aldringen Registre de Commerce: Luxembourg B Nº 7.443

The quorum required by law not having been reached at the first Extraordinary General Meeting of Shareholders held on May 18th, 1981, the shareholders are invited to attend a

SECOND EXTRAORDINARY MEETING OF SHAREHOLDERS

o be held on 19th June, 1981, at 9.30 a.m. at the registered office of the Fund. 14, rue Aldringen, Luxembourg with the following agenda:

1) To amend Article 16, subsection c), g) and h) so as to read as follows: except within the limits set out in a) above, pledge or otherwise encumber any of its securities or other assets or transfer or assign any

such assets for the purpose of securiting debts;

g) purchase securities issued by its Investment Managers or Advisers,
Castodian or Corporate and Domiciliary Agent;

h) hold as each in a bank account or accounts more than 30 percent of its

To amend Article 23, third paragraph so as to read as follows:
The Corporation may suspend the determination of the Net Asset value of shares and the purchase of its shares from its shareholders.

a) during the whole or any part of any period when any of the principal stock exchanges on which any substantial portion of the Corporation's

snock exchanges on which any substantial portion of the Corporation's investments from time to time are quoted is closed otherwise than for ordinary bolidays, or during which dealings therein are restricted or suspended;

b) during the existence of any state of allairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Corporation would be impracticable;

c) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange as aforesaid;

a amoud Article 23, section A, subsection 21 on as to read as follows:

o amend Article 23, section A, subsection 2) so as to read as follows:

2) The value of securities which are quoted or dealt in on any stock exchange is based on the last trade price or, if not available, the closing mid market price on the relevant day. The closing mid market price is determined by taking the mean between the closing hid and offer quoted prices. Where no such last trade price or closing hid and offer prices are quoted, the closing quoted price on that day will be used.

a amend Article 23, section A, subsection 3) so as to read as follows:

To amend Article 23, section A, subsection 3) so as to read as follows:

3) The value of securities dealt in on the over-the-counter markets is bat on the last hid price on the relevant day provided that if such price does not reflect a fair market value of the relevant security, another price determined in accordance with generally accepted valuation methods may be substituted as the fair market value.

To amend Article 23, section A, subsection 4) so as to read as follows:

4) In the event that any of the securities held in the Corporation's portfolic on the relevant day are not dealt in or traded on any stock exchange of over-the-counter market the value of such securities will be determined. in accordance with generally accepted valuation med amend Article 23, section D, sub-section d) so as to read as follows:
d) effect shall be given on any Valuation Date to any purchases or sales of securities contracted for by the corporation on such Valuation Date, to

the extent practicable. the extent practicable.

3) To ratify an amendment of the terms of the performance fee as provided by the shareholders in their general meeting held on 20th June 1969, so as 1) to substitute to the Combined Average of the Dow Jones Industrial Average Index and the Standard and Poor's Composite Stock Price of 500 Stocks the Capital International World Index.

2) to determine that such amendment be effective as of the date of this resolution and be applied to the current year on a prorata basis.

resolution and be applied to the current year on a prorata basis.

The shareholders are hereby informed that this second Extraordinary Meeting of Shareholders shall validly vote on the points of the agenda whatever portion of the share capital of the Corporation will be present or represented. In accordance with Luxembourg law, resolutions will be subject to a majority of 2/3 of the shares represented at the meeting, provided however, that at this second meeting, shares not represented will (in a number not exceeding 1/3 of the total number of the outstanding shares) be deemed to vote for the resolutions proposed above, and provided further that in such latter case the resolutions must be voted by the majority of the shares represented at the meeting. In order to attend the meeting, holders of bearer shares should deposit their abases on or before June 15th, 1981 with the banks listed hereafter. With respect to registered shares, proxics should be deposited at the registeres office of the Fund on or before June 17th, 1981.

— Amsterdam-Rotterdam Bank N.V., Amsterdam

Amsterdam-Rotterdam Bank N.V., Ant Bank Julius Bar & C° A.G., Zürich Banca d'America e d'Italia, Milan Banque Générale du Luxembourg, Luxen

Banque Générale du Luxembourg, Luxembourg
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Banque de Cindochine et de Suez, Paris
Banque Scandinave en Suisse, Genève
Banque de Paris et des Paya-Baa, Paris 2°
John. Berenberg, Gosaler & C°, Hamburg
Berliner Handels-Gesellschaft-Frankfurter Bank, Frankfurt
Berliner Rank A.G.. Berlin

Berliner Bank A.G., Berlin

Effectenbank-Warburg Aktiengesellschaft, Frankfurt Gnyerzeller Zurmont Bank A.G., Zürich Badenwarttembergische Bank A.G., Heilbronn Nederlandsche Credietbank, Amsterdam C

Pierson, Heldring & Pierson, Amsterdam Privathanken i Kjöhenhavn S.A., Copenhagen Skandinaviska Enskilda Banken, Stockholm C Banca della Svizzera Italiana, 6901 Lugano

Banque Transatiantique, Paris 9° Caisse Nationale de Crédit Agricole, Paris 15° Credit Industriel et Commercial, Paris 9º

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 Crédit Industriel d'Alsace et de Lorraine, Luxembourg

Deway Luxembourg S.A., Luxembourg

R. Heuriques Jr. Copenhagen

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Bayerische Vereinsbank, München

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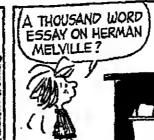
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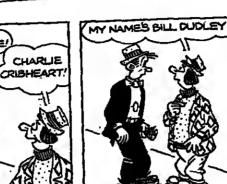












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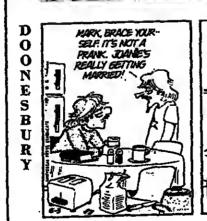










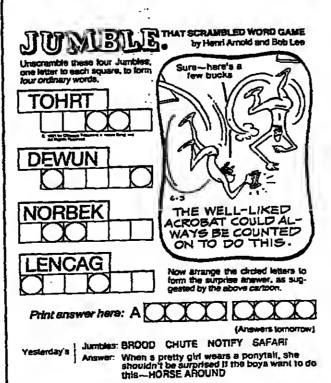






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REAL SECURITY Restoring American Power in a Dangerous Decade By Richard J. Barnet. 127 pp. \$10.95.

Simon & Schuster, 1230 Avenue of the Americas, New York 10020: Reviewed by John Leonard

JAMES CHACE is managing editor of the quarterly Foreign Affairs, a magazine that amounts to a palimp-sest, or perhaps a Book of Common Prayer, of Eastern establishment thinking in the United States: Foreign Affairs is so respectable that even Richard M. Nixon has appeared in its pages. Richard J. Barnet is a senior fellow at the Institute for Policy Studies in Washington, about which there has been so much hobgoblinizing in recent months—as if it had been de sided that the Américan left should no longer be permitted to think, in or out of tanks.

Both have written essays of roughly the same length and equal grace of U.S. foreign policy, with particular emphasis on military spending. Chace, surprisingly, is more personal, connecting his boyhood in Fall River, Mass. and his graduate student days in Paris to a seneral malaise of "frisolin Paris to a general malaise or "nisol-vency" of the American spirit. Barnet is determined to be calm as he piles up his appalling facts, although there is a scream struggling to escape from his typewriter.

Guns and Butter Too

But both agree to a remarkable extent. Both assert that the U.S. defense budges has been wasteful and infla-tionary; that U.S. adventurism in Vietnam — during which Lyndon Johnson and Nixon sought to have their guns and eat their butter too. without raising taxes - ruined the American economy; that the U.S. failure to explore and develop alternative energy sources to the Middle East oil pipeline is scandalous and dangerous; that an arms-limitation treaty of almost any sort has a metaphysical as well as a practical significance; and that the postcolonial world has be-come far too complicated for two superpowers like the United States and the Soviet Union to play nuclear war games. The little guys have missiles,

Chace is much clearer and more persistent on the relationship between Vietnam and inflation; the United States has to learn to pay for what it wants to do instead of just printing money that its allies will cease to hold in reserve — there went the dollar. Barnet has a livelier sense of miscalculation — by man or computer, in the United States, the Soviet Union, Chi-na, India, Israel or South Africa that might crase whatever civilization we believe ourselves to have achieved. Chace concentrates on the U.S. balance of payments deficit; Barnet is more concerned with the failure of force, whether military or economic to make much difference in international politics.

Why, Chace wants to know, does the United States ball out Chrysler when the Japanese are quick to abandon support of a crippled industry, as are abandoning transistor radios? Why, asks Barnet, does the United States persist, like the Soviet Union, in playing world policeman when that role hasn't worked in Vicinam, China, Egypt, Afghanisian, lib-donesia or mywhere elst. for any-body, since 1950? Neither is finite as clear as Lester Thurow in the May 14 issue of The New York Review of Books on the "counterproductive" na-ture of military spending (it is a form of consumption not investment; what is bought now, on cost-plus contracts, is obsolete five years later). But both are aware of the problem; the current administration in Washington seems less shrewd.

Chace and Barnet both warn us against "scenarios" - spun as if from the bowels of spiders in underground bunkers where all the apocalyptic but-tons live — in which the Americans imagine what the Russians are thinking, and the Russians imagine what



the Americans are thinking and every body, sitting on an "overkill" capacity, goes bananas filling a "gap.
Chace asks the United States to consider those interests that are genuinely "vital," such as Westera Europe, Ja-pan and Israel Barnet insists that the United States be realistic about the Third World: In what way is U.S. national security threatened by revolu-tions in Nicaragna or Zimbabwe? Is anybody listening. Chace and Barnet both point out that the rate of

U.S. investment in research and development, the key to economic productivity, is lower than that of any other industrial nation in the world. And yet it is precisely that investment which is being curtailed, even as Americans are asked to increase military spending. Why? What's the point of hardening missile silos when a single Trident-2 submarine can wipe out 300 Soviet cities? What's the point of a "land-mobile" missile system when the United States already has multiple warhead Cruise ships in the sky? Dollar for sorry dollar, what are Americans buying?

Americans are buying perceptions. How are they perceived by the Russians, and how do Americans. "perceive" them? It seems to be an obscene seance, full of table-knowing and the voices of the dead. Meanwhile, the dozens of new nations brought into being by the postwar collapse of colonial arrogance insist on inconveniencing the Americans and the Russians. Terrorism and human rights are bately touched on in either of these books; Chace and Barnet submit to realpolitik while suggesting superpower modesty. But their elo-quent message is obvious: It's a mess, please be less greedy.

Greed, however, seems to be the, scenario — greed for power, prestige, "credibility," being number one. For the Soviet Union, such greed is too late; the world doesn't work that way anymore. For the United States, such greed is nostalgic; the world worked its way for 25 years. Soviet greed is as. old as the worst czars'; America's is a late, late show.

John Leonard is on the staff of The New York Times.

Best Sellers

The New York Times This list is based on reports from more than 1,400 pookstores throughout the United States, Weeks on

FICTION I NOBEL HOUSE by Issues Cla-GORRY PARK, by Martin Cruz FREE FALL IN CRIMSON, by John D. MacDonald GOD EMPEROR OF DUNE, by Frank Herbert

CREATION, by Gore Vidal
TAR BABY, by Toni Monison
REFLEX, by Dick Francis
MASQUERADE, by Kil Williams
THE WHITE HOTEL, by D.M.

5 THE COVENANT, by James A.

THE COMPANY OF WOMEN. by Mary Gordon
LICENSE RENEWED, by John Gardner

15 MIDWIFE, by Gay Courter

NONFICTION Richard Simmons.
COSMOS, by Carl Sagan
THE BEVERLY HILLS DIET, by

Judy Mazel PAVAROTTI: MY OWN STO-5 PAVAROTTI: MY OWN STORY, by Lucisso Pavarotti with
William Wright.

6 DR. ATKINS' NUTRITION
BREAKTHROUGH, by Dr. Robert C Atkins.

7 WILLIAM E DONOGHUE'S
COMPLETE MONEY MARKET
GUIDE by William E Donoghoewith Thomas Tilling.

8 MARIA CALLAS, by ArienmsStassinopoulos.

9 THE EAGLE'S GIFT, by Carlos

Castanada

10 BETTY CROCKER'S INTERNATIONAL COOKBOOK

11 NICE GIRLS DC, by Irene Kas-2 YOU CAN NEGOTIATE ANY-THING by Herb Cohen 13 WEALTH AND POVERTY, by

George Gilder
PAPER MONEY, by Adam Smith
CRAIG CLAIBORNE'S GOUR-MET DIET, by Craig Claibonne with Pietre Francy

BRIDGE

REOPENING the bidding when the opponents have come to rest in a part-score has now received the ensive treatment it deserves from Mike Lawrence, a former world champion, in an excellent book enti-tled "The Complete Book on Balanc-ing in Contract Bridge."

In one section Lawrence attempts to estimate the frequency with which

a player should reopen in different sit-uations. If the opening suit-bid is passed, or raised and passed, he estipassed, or raised and passed, he esh-mates that a player should balance 75. percent of the time. The frequency di-minishes with the number of suits available to the balancing side. If the opponents have no fit, or if they come to rest in one no-trump, Lawrence suggests 30 percent.

One of the warning signals that should discourage a prospective balancer is shortness in an unbid manufacture.

or suit. Lawrence gives the following hand as an extreme example:

OAKJ976

When one spade was passed around to him, he jumped to three dismonds. showing a good hand with a good spit. His opponents then bid to six hearts and made seven. A sad story indeed. Rather more typical is the di-agramed deal in which East appears

to be quite justified in bidding one heart when one club is passed. But since his partner was unable to over-call, there is a distinct danger that

By Alan Truscott

North-South has a spade fit.

After one heart, South bids spades and North comes to life. Four spades is reached with a combined 18 points. and only a 44 fit. The contract is unbeatable in spite of West's sure trump trick, and his double is reasonable. East and West are minus 590 when a cautious pass by East would have left them minus 110 or 130.

NORTH **● J 1042** ♦ 106542 **₽Q32** EAST 4083 **♦65** ♥AQ264 ◆**EJ8**3 495 SOUTH (D) ♥ 1033 *AKJ104

West led the heart two.

Pecci Beats Noah; **Borg Gains Semis**

al Herola Tribune

PARIS — After dropping the first set, Victor Pecci of Paraguay rediscovered his big serve and overpowered Yannick Noah, 3-6, 6-4, 6-4, 6-4, Thesday to reach the semifinals of the French Open tennis tournament. He will play Biorn Borg. who climinated Balazs Taroczy, 6-3, 6-3, 6-2

"I was serving better than ever."
Pecci said after the match. "The last time I served so well was probably in 1979 against Viles and Counors." He was referring to the French Open two years ago, when he sailed past Harold Solomon, Guillermo Vilas and Jimmy Con-nors, only to lose to Borg in the

The Pecci-Borg rematch should be interesting, not only because of the 1979 encounter but also be-cause it was Pecci who last defeat-ed Borg in Monte Carlo in april.

Lloyd to Meet Mandikova

Chris Evert Lloyd, meanwhile, defeated Virginia Ruzici, 6-4, 6-4 to earn a semifinal berth against Hana Mandlikova, who finally stopped Kathy Rinaldi, the 14 year-old American who earlier had defeated Dianne Fromholtz and Anne smith Mandlikova, who best Lloyd last year in Atlanta, won Tuesdsy, 6-I, 6-3.

Andrea Jaeger advanced with a 4-6, 6-2, 6-0 victory over Mima into the real world, dazzling her Jausovec, a 24-year-old Yugoslav with a potpourri of shots. "I'm not and former champion here. In the semis, she will play either Martina Navratilova or Sylvia Henika. Navratilova was losing, I-4, in the first set when rain and darkness

As a Frenchman, Noah was the overwhelming favorite here. He was still riding the euphoria of his victory Monday, over Guillermo Vilas, when he walked out to play in front of the cheering lans on the center court of Roland Garros Stadium. He played aggressively, coming to the net often and volleying for winners.

But the 6-foot 4-inch Pecci was also on the attack, always forcing the play. The match contrasted markedly with the routine, often boring, show that two baseline players put on. In the Borg-Pecci match, the two styles will be in

With his victory over Taroczy, Borg advanced to the semis with-out having lost a set. "A lot of the games were really close," he said of his Tuesday match. "But it has always been that way with Balazs. Today, I won all the important

points but our games are always close." Borg has now beaten Tarroczy six times without a loss. The last time they met was in the fourth round here last year.

The other men's semifinalists will be decided Wednesday, when John McEnroe plays Ivan Lendl and Jose-Luis Clerc meets Jumny Connors

While Lloyd defeated her Romanian opponent in two sets, she needed more than two hours to complete the match as the two engaged in marathon games. Lloyd's victory streak over Ruzici has now reached 19, nine of them since the two met in the final here last year.
Lloyd has said repeatedly that Ruzici is the second-best claycourt player in the world.

This was one of my best matches on clay," Ruzici said Tuesday.
"I was just glad that I was able to get into the games. I was humuliated last year, and I went on the court today thinking that I was ready to die out there trying to

"Just a few more points and I

Asked to comment on Lloyd's assessment of her talents, she said: "I'm sure that I am one of the top four on clay in the world. If I could hit my forehand as well as my backhand I would be the best player in the world." .

Mandlikova sent Rinaldi back upset that I lost," Rinaldi said. "I just wish I would have played a lit-

tle better." Mandlikova, 19, said she was in much better shape, than she was last year, when she lost to Lloyd in the semis. The public expects me to play a good game against Chris," she said. "And I think I can, if I'm patient."

Jaeger had some trouble in the first set, but was clearly in command when the match ended. "It's a big difference from last year," she conceded, referring to her firstround elimination from the French

Even if I had lost today I would have been satisfied because I played so much better than last year. Jansovec won here in 1977. It's not like it has been an easy draw for me." Jacger said.

MEN'S SINGLES

Sjorn Born det, Bolazs Tareczy, 43, 63, 63,

Chris Evert Lloyd def. Whythis Rudici. 6-4, 6-4; Andres Jaeses def. Mirns Jauesvec. 4-6, 6-2, 6-6; Hens Mandillova del. Kystry Rinahil. 6-1, 6-1;



tive touch-play. The Soviet Union, whose 12 unbeaten games include

Bird, 14-Hit Yankee Attack Beat Indians, 5-3

Lynn Jones' ground single up the middle — his fourth hit of the game - with one out in the 12th to Milwankee Dave Rozema went the last two innings to get the victory. Ted Simmons homered for

Angels 3, Blue Jays 0

In Toronto, Ken Forsch pitched three-hitter and Butch Hobson

went eight innings to raise his and Dan Ford hit bases-empty record to 2-4 with Dan Quisenber-homers to power California to a 3-0 victory over the Blue Jays. Forsch (7-3) struck out six and walked three in posting his sixth

By Rob Hughes

LONDON - The Russians are

That, believe it or not, is the

most encouraging conclusion to be

drawn from four days of otherwise

extremely sick soccer last week.

Coming after the dreadfully boring European Cup final — "chloro-form foothall," a French reporter called it — and before the disgrace

of the England team and her hooli-

gan supporters in Switzerland, 11
Russians had us rising to applaud
a masterful display of controlled
and imaginative modern soccer.

It is highly significant that the

two nations that have begun 1981

most impressively are Brazil and the Soviet Union. Significant he-

cause they are far and away the

most populated soccer countries;

gratifyingly significant in that each

enterprizing play.

as a new manager committed to

Brazil, with recent victories in

England, France and, more sur-

prisingly, West Germany, is being sensibly redirected toward intui-

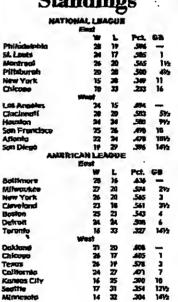
coming. They are on the attack

and, by this time next year, will

represent a threat to the world,

Dodgers 5, Braves 2

Major League Standings



with 99. Rick Monday had a home run for the winners.

soccer it pursued for the past dec-

Getting the Points

a 255-million populace, dammed well ought to be able to find a doz-

Before anyone thinks I have lost

my marbles, it is conceded that the

Soviet performance inspiring these

views was nothing better than a 0-0 draw in Wales — a natioo that

cannot muster three million citi-

zens. But the scoreline was a trav-

esty.
The Soviet Union, changing

gear and direction with perplexing fluency, created chances with stud-

ied hrilliance - and squandered

them with abandon. None sourned

more opportunities than David Ki-

piani, the balding orchestrator whose skills had won the Cup

Winners Cup for Dynamo Tbilisi, and Oleg Blokhin, whose electric

pace has Olympic potential, bred

most battles.

Manager Constantin Beskov,

Phillies 5. Mets 4

In Philadelphia, the Phillies rallied for two runs in the ninth, one on Garry Maddox's leadoff homer, to beat New York, 5-4. Maddox's second home run of the year, off reliever Neil Allen, tied the score, 4-4; pinch-hitter George Vukovich added a single that drove in the winning run. Dave Kingman had given the Mets a 4-3 lead when he opened the eighth with a bases-empty homer, his 12th of the year and his sixth in seven games.

Reds 8, Glants 5

In San Francisco, Dave Concepcion's run-scoring double ignited a four-run minth-inning rally that pushed Cracinnati past the Giants, 8-5. Dave Collins led off the inning with a walk off reliever Greg Minton. Ken Griffey singled Collins to third; Concepcion drove him in with a bloop double and George Foster was walked to load the bases: Gary Lavelle relieved Minton and struck out pinch-hitter Mike Vail, but Ray Knight's single

Kipiani, Blokhin and Alexandr Chivadze, the imaginative sweeper, are acknowledged masters. But now they are surrounded by quali-Goalkeeper Rinat Dasaev is known for the attacking style of his Moscow Spartak club, appears tall, stringy and elastic; right-back Tangiz Sulakvelidze counteratto have grasped two things: that tacks swiftly; center-forward Sermost battles are won going for-ward and that his homeland, with gei Andreyev is an elusive foil for Blokhin. Midfield, of course, is Kipiani's springboard, but Vladimir Bessonov and Khoren Oganesyan are young lieutenants thriving on en individuals capable of winning

The Soccer Scene

The Russians Are Coming

a victory in Brazil, has departed as it was out of a Ukrainian na-convincingly from the sterile tional sprint champion.

Welcome, Soviet Union, to the minority stage of entertaining

Wretched Contribution

Sadly, we can no longer put off England's wretched contribution to international soccer. Liverpool's dull triumph over Real Madrid in the European Cup and the clash hetween her supporters and French riot police before the game was a prelude to England's defeat

against Switzerland.
On Saturday, England faces in Budapest a Hungarian side which

with Andras Torocsik, Tibor Nyilasi and Lazlo Kiss — is even more gifted. But Hungary's aging

sen capped the uprising with a two-run double. Foster had a two-

run homer for Reds in the first, giving him a league-leading 39 RBIs.

Cardinals 4, Expos 2

In St. Louis, John Martin and

least encourages England to hope she can restore a modicum of World Cup pride.

in other groups, Italy expects to consolidate qualification by win-ning in Denmark and Northern

Ireland's chances require at least a draw in Sweden. Anywhere but Budapest, the spotlight is on players. In Hun-gary, alas, the TV eye will roam the terraces, surveying the behav-ior of English youths, 52 of whom were arrested during drunken brawls in Switzerland. English parliamentarians are embroiled in their almost annual breastbeating. their pathetic long-range opi-

nionating over the country's stupid flag-bearers abroad.

MPs who understand soccer as profoundly as they seem to the social causes of vandalism, squable about the supposed "correlation between the backing tactics of the England team and what happened on the terraces. They want passports withheld from young thungs; they hlame soccer, as if the iquored minority attaching itself to the games's publicity glare is representative. They walfle, hoping the problem will lade.

And soccer authorities? Impo-

tent. And they know it.

The English F.A. wants to abdicate responsibility, to disband official travel club and ask other countries not to admit Englishmen. FIFA, the world rulers, say they will, in good time, probably fine the English F.A., but not bar the team. How ambiguous can they be? UEFA, the Eurpean anthority, made the same futile distinction after the Turin riot last year.

'Benign and Elderly'

Their logic has stunning hanality. But then, soccer adminstration would win any diploma in illogi-cality. The English F.A. last summer blamed heavy-handed Italian riot police for Turin's ugly fight-ing. It now derides "benign and elderly" Swiss law enforcement for standing and watching booliganism. They demonstrate ignorance with every mouthful. The troublemakers, say the F.A.

will meet their match in totalitarian Hungary "if they step one inch out of line" Really? Where were the F.A. observers in the Nep Stadion a fortnight ago when hordes of youths ran wild? They smashed down a wire sence and baited Romanians - whose police stood as beingn as any Swiss.

Why? "We are a forgiving peo-ple," said one politician. "Young people will make mistakes. Beides, it is nothing like English hooliganism. No, not yet.

But 20 minutes after that exchange of views. I attempted to use a public telephone. It had been

NASL Standings

Millionaire Yachtsman Bergt Takes the Deepest Plunge of All Bergt renamed his boat Alaska tions are reserved for the comple-Washington Post Service Eagle in honor of the rough-andtion of a difficult campaign. WASHINGTON — What do tumble state where he made his "He's leaving himself wide open

atter you've made n money than you can spend and you're in your 40s and want to have fun?

Neil Bergt thought he'd try sailing, so he bought a fancy cruising yacht. There wasn't enough excitement, so he bought a faster fancy yacht last year and went ocean rac-

Within months, he'd bought a bigger, even faster and fancier yacht and decided to circumnavigate the globe as the first U.S. entry ever in the most arduous; perilous ocean race of all the Whitbread 'Round the World.

He told his hired captain, Mike Farley, to put together a crew of 11 and start making preparations. Farley, an old hand at ocean racing called some serious racing crowies and outlined the plan. They wouldn't go.

'Great -- Have Fun'

"I told him, You're going ground the world in a Swan 65? Freat — have fun," said Ted Allion, who had been aboard the Britsh boat King's Legend in the 977-78 Whithread.

Bergt's million-dollar Swan vasn't enough boat for the hottest acers. A Swan 65 had won the irst Whitbread, in 1973-74, and Swans had taken three of the top ive places in the second race. But imes change fast on the ocean-rac-ng scene. New designs had passed Swan by. If Bergt was to get he best crew, they wanted more

So he bought a yet faster, fansier item - Flyer, winner of the 977-78 race, a custom-designed luminum Sparkman and Stephens 5-footer.

He sent Farley to Holland, vhere the boat lay, to have her completely rebuilt, including an zetire new stern, all new rigging, sew winches and a sail plan redeigned from ketch rig to sloop. Now he has his crew.

Transactions

SASEBALL

MILWAUKEE-Ploced Lorry Hisia, autili

ORCOUVER FORTH NORTH.

National Lasgue
NEW YORK—Normed Al Jackson monoger
reir Kingspert, Tenn., forth club in the Asso ned Ed Olson as a couch of

FOOTBALL nel Football Leaveds Released Joe Rizzo, Unebacker HOCKEY

National Hockey Leave COLORADO-Named Bert Marshall hadd

PHTSBURGH—Styned Rondy Boyd, defense-te, and Doug Stedden and Pol Grohath, for-grate, Normed Lau Angoth coastant coath, VANCOUVER—Signed Darrell May, pacife, to UNIV. OF TEXAS -Announced the re-

ternational crew of 12 (including a French chef) from around the globe for a reception at the U.S. Senate. Alaska's congressional del-egation and other VIPs were there to munch crab legs and salmon and wish him well.

It is not uncommon in yacht racing for a newcomer to spring fully grown on the scene. Ocean racing is a mice athletic outlet for millio-

All it takes to create a winner is a talented crew, a great boat, a lot of money and some organizational expertise. Wealthy, self-made men are among the few people in the world who can put together all the

What is a little musual is a prerace reception of the sort Bergt organized. Usually such celebra-

Brooks Is Hired As Ranger Coach

NEW YORK — Herb Brooks, who guided the 1980 United States Olympic hockey team to a gold medal, has agreed to terms to coach the New York Rangers of the National Hockey League. The chib will announce the hiring officially later this week.

Brooks, 43, will work under

General Manager Craig Patrick, Brooks' assistant on the Olympic team. Patrick took over as coach of the Rangers Nov. 22, 1980, when Fred Shero resigned, but was re-luctant to continue in both roles. Patrick sought Brooks to coach the team for several weeks following Shero's resignation but Brooks

was unable to get a release from his contract as coach of an amateur club in Davos, Switzerland. Prior to the 1980 Olympics, Brooks major coaching achieve-ments were at the University of Minnesota, which he led to three National Collegiate Athletic Association titles in seven seasons. He is a disciplinarian who is also

Rockies Name Marshall

known for being aloof and not a

strong communicator.

DENVER (UPI) - Bert Marshall has been named head coach of the NHL's Colorado Rockies. He is the club's sixth coach in five seasons. Marshall's appointment has been reported for several weeks, but the announcement, made Monday, had been delayed until the conclusion of the Stanley Cup playoffs because Marshall had been coach of the New York Islanders' Central League farm club at Indianapolis. Marshall replaces Rockies' Coach Bill Mac-Millan, who last month was named general manager after the firing of

Ray Miron.

fortune. Recently he flew in an in- to embarrassment later," said

veteran vacht-watcher. That's nothing new to Bergt, a plunger. He's chairman and owner of Alaska International Industries, a conglomerate with interests in oil drilling, heavy construction, insur-

ance, hotels, land development

CLEVELAND — Dong Bird, moved into a starting role because

of injuries to Tommy John and Ron Guidry, won his 11th consec-

utive game Tuesday night in helping New York to a 5-3 triumph

Bird (4-0) has not lost a game

since Aug. 16, 1978. He went five

BASEBALL ROUNDUP

innings before giving way to Ron Davis, who pitched into the ninth.

Rich Gossage got the final out to notch his 14th save.

ing bases-empty home runs by Bucky Dent and Dave Winfield.

Denr's homer in the third put the

Yankees ahead to stay after Jorge

Orta's home run had tied the score

at 2-2. The triumph marked the

22d time in 23 games the Yankees

have won this season after taking a

Royals 3, Mariners 2

In Kansas City, Mo., George

Brett batted in two runs with a

triple and single to spark the Roy-als past Scattle, 3-2. Paul Splittorff

lead into the seventh inning.

The Yaukees had 14 hits, includ-

over the Indians.

and an airline. All is sponsoring the Whitbread effort to the projected tune of about \$1.2 million.

Milk Route

Bergt never went to college. He worked through high school in Anchorage and, when he graduated, bought a milk route on which he made, he says, \$1,800 a month hy working 3 a.m. to 7 p.m. six days a

With his profits he bought an airplane, became a commercial pilot and parlayed that into ownership of AII's predecessor, an air freight company.

Bergt flew into Washington on his company's private Israeli-built jet. In his suite at the Hotel Fairfax, he talked about how he came to be the first American to enter the Whitbread. "I think I'm the greatest student of the Whitbread there is, other than the participants themselves," he said.

"I've read everything I could get my hands on about it since I read official account of the first race in 1974.

"If you're really involved in ocean racing, the Whitbread has to be the ultimate challenge. People ask me, Why do you want to go? I say, if you like ocean racing how could you not want to go? It's like playing football and not wanting to play in the Super Bowl."

About 25 entries are expected in this year's Whithread, which begins Aug. 29 in Portsmouth, England. The race is run in four legs, with three-week layovers in Cape Town: Auckland, New Zealand; and Mar del Plata, Argentina, The finish is in Portsmouth. It takes about eight months.

The Gangust

Allison, one of two Whitbread veterans on the crew, said the race "offers everything you'll ever see in ocean racing. In 26,000 miles, everything that can happen will happen, from dead calm to raging

The crew left for Holland after the reception here. The boat, which none of them has sailed, is due for launching June 15, when Bergt will join the others. They'll test sails and practice through the summer. Bergt has hired the former director of the Alaska pipeline to run his company. Now it's only a question of per-

severance and luck. Where will the first American Whitbread racer finish? "We are going to win," said Bergt.

ry pitching the final inning for his eighth save. . Tigers 4, Brewers 3

In Detroit, pinch-runner Mick Kelleher scored from third on ive the Tigers a 4-3 decision over

complete game and third shutout of the year. In the National League, in Los Angeles, Fernando Valenzuela pitched a seven-hitter and struck out 11 to become the major

leagues' first nine-game winner in leading the Dodgers past Atlanta, 5-2. Snapping a personal two-game losing streak, Valenzuela took over the major-league lead in strikeouts with 90 and in innings pitched



Bruce Sutter combined on a fivehitter and Garry Templeton went 3-for-4 with two runs batted in to lead the Cardinals to a 4-2 victory over Montreal Templeton singled and scored on Dane lorg's single in the first. The Expos tied it on doubles by Larry Parrish and Chris Speier in the fifth, but St. Louis took a 3-1 lead in the hottom of the inning on doubles hy Glenn Brummer and Tom Herr and a single by Templeton. Templeton's seventh-inning double plated Herr with the winning run. Gary Carter hit his sixth home run

Baseball Line Scores AMERICAN LEAGUE

for Montreal.

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and May, W—Homes, 3-2, Li—Minton 17, Levelle (7)

Strike Strikes Home: Reflecting on Reflections

By Ira Berkow

Indian third baseman Toby Harrah, throwing off-balance, just

missed getting the Yankees' Willie Randolph on a first-inning

grounder Monday night in Cleveland. New York won game, 5-3.

New York Times Service

NEW YORK - Wars couldn't stop major league base ball, the Depression couldn't stop major league baseball. It seems the only thing that could is major league baseball itself. The very threat of the players' strike, the idea that the great stadia would be empty this summer — and the crack of bat against ball merely an echo in the mind — is reason enough to reflect.

Whoever wants to know the heart and mind of America had better learn baseball," wrote social commentator Jacques Barzun more than a quarter of a century ago. "Fundamentally," he said last week, "things haven't changed. Basehall still reflects our society. It's just that our society has changed.

"A National Machinery"

Baseball, Barzun says, once expressed the unification of America, the teamwork involved. "When we look at the triumphs of American technology on a large scale, we see the fine workings of a national machinery - everybody in every department cooperating effec-

tively with no gaps in time. "It was like the making of a double play, perhaps. Or a relay in which nine men speedily dicked together to achieve a desired result. It's a beautiful thing to observe. "But now, the contentions in baseball parallel the enormous unrest in our society. There's more litigation, for example, than ever before. And the star system has gotten out of hand. The teamwork that once marked the beauty of baseball is now scorned, and along with the diminishing appreciation for the rich qualities of baseball there eloped diminished appreciation for the rich quali-

ties of American life." But a summer without baseball would not be quite the same for Barzun, who is still a casual fan. Roger Angell, a writer for The New Yorker magazine, also would miss it. "It's part of my summer habits — and maybe my winter habits, too," he said. "I suppose I'd get along all right without it, but I'd rather not. There is a continuity with baseball, and there'd be a feeling of loss with it - like. there goes something else in our lives."

One of the qualities that Angell likes best about base-ball has been its stability. He has written: "Within the ballpark, time moves differently, marked hy no clock except the events of the game... Baseball's time is seamless and invisible, a bubble within which players move at exactly the same pace and rhythms as all their predeces-Formalized as a Bullfight

The late historian Bruce Catton called baseball a

"pageant and a ritualized drama, as completely formal-ized as a Spanish bullfight, and although it is wholly ur-

banized it still speaks of the small town in the simple

rural era that lived before the automobile came in to

hlight the landscape.... In a land of unending change, baseball changes very little."

But it seems to have often reflected the mood of the oation, and its ambitions. Mark Twain wrote at the turn of the century that baseball was "the very symbol of the outward and visible expression of the drive and push and rush and struggle of the raging, tearing, booming 19th century. For many it remained that way into the 20th. "America

was the land of opportunity where even a poor boy could grow up to be Babe Ruth," wrote Douglass Walop, in "Baseball: An Informal History." Once those sentiments were expressed about the presidency. But, Walop went on, "Cal Coolidge moved through life with careful sidesteps, smiling sour smiles. Babe Ruth laughed a orighty laugh, strode with the stride of a giant, slamming the door of his Stutz Bearcat and wading through the crowds, long camel-hair coat flapping

near his ankles, big brown eyes shining, a long cigar stuck between the fat lips, and grinning as they all say, 'Hiya, Babe,' and yelling back. 'Hiya, kid... Atta boy, kid, keep swinging from the heels.' There were those who resented Ruth's making more than the president of the United States, but his larger-than-life qualities overshadowed the money aspect. Today, though, the big bucks intrude on our summer devo-tions, says Angell. "A lot of people find it insupportable, and against the work ethic, that young men can make so much money. You're supposed to work hard for not

much money at something you don't like when you're young, and improve on that as you get older. Owners: A Death Wish

"And this idea of players making large amounts of money also says something uncomfortable about our society, where a ballplayer can make so much more than, say, a teacher. But it's not the fault of the players. The money is obviously there. It seems like the owners have a death wish about the game."

Baseball is part of the tradition of many American families. "It may be on the periphery of our lives, but it is ingrained in our psyches," said Dr. Peter Berezeller, a Manhattan physician, "We grow up with it being an integral part of our childhood and we never really divest ourselves of it. I still root for the Giants - even though they've moved from New York to San Francisco. And now I see my son following the teams and players, as I

At least twice a year, Paul Weiss, professor of philoso-phy at Catholic University in Washington, and author of Sport: A Philosophic Inquiry," says he meets his son, Jonathan, a New York attorney, in Baltimore to take in an Oriole game. "Baseball is something we've shared for a long time," said Weiss. "It is a beautiful, graceful game and it is social in a way that fontball and hockey aren't.

Those two sports are adventitious. It seems that beat-

ing up opponents is of as much interest to fans in those sports as the game itself. And basketball is a sport limited

to the technically knowledgeahle."

Were there to be a haseball strike, Dr. Albert Ellis says he is sure to hear about it from some of his clients. "It will disturb a few of them greatly," says Ellis, a psychologist and executive director of the Institute for Rational-Emotive Therapy. "They're devoted to it, and some of these people have a very low frustration tolerance.

Others have a different view of things. "I don't have the slightest interest in the thing," says playwright Lillian Hellman. "Mr. Dashiell Hammett spoiled me of all sports. He was such a sports fan — a sports fiend, i should say — that he drove me crazy. He'd be listening to a baseball game and shouting about this player and that, and I'd have to leave the room. He'd holler, 'You're the only person in America who doesn't give a damn about baseball."

'Undevelopments'

Not so. "I went to my last baseball game in 1934 in Washington," said John Kenneth Galbraith, the economist, with a chuckle. "It was between the Senators and an otherwise unspecified team. Unless I'm in Washington and unless the Senators come back to town, I doo't plan on seeing another." And of a possible strike? "I am totally unaffected by these grievous undevelopments."

Baseball doesn't always travel well and it has had its detractors overseas. In the fall of 1924 George Bernard Shaw wrote about an exhibition game in London between the Chicago White Sox and the New York Giants.

"It was as a sociologist, not as a sportsman - I cannot endure the boredom of sport - that I seized the opportunity of the London visit of the famous Chicago Sioux and the New York Apaches (I am not quite sure of the names) to witness for the first time a game of baseball," wrote

"I found that it has the greater advantage over cricket of being sooner ended."

The Prof and the Catcher

Perhaps baseball held the kind of impenetrable mysteries for Shaw that it did for Einstein. When Einstein met Moe Berg, the esteemed linguist and major league catcher, he suggested, "Mr. Berg, you teach me baseball, and I'll teach you mathematics." He paused, and added, "But I'm sure you'd learn mathematics faster than I'd learn

Bureau, the sports statistics company: "Baseball in the summer is like a journey. It's played every day. We follow it. There'd be a great void without it. A real part of our history would be lost. "I'm sure we'd find something to take its place. The

Comments Seymour Siwoff, president of Elias Sports

question is, what?"

and the concern that farwan not be at Pentagon officers, reversing their judg-friendship treaty with Moscow."

in the relationship.

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MX Credibility Gap

By Russell Baker

NEW YORK — Life has become a constant burden, thanks to the recent surge of skepncism about the accuracy of what is written in the newspapers.

Last night for example, my garage was invaded by investigators looking far evidence that fictions have been published in this column. Imagine my

had aroused these busybodies was my series of reports about the MX Pentagon. These articles, in case you missed them, nutlined

my program for building 250 fake Baker Pentagons and keeping them constantly moving around the high-ways on trucks, along with the real Pentagon.

As I have panently explained, the MX Pentagon system is an es-sential companing piece in the MX missile system, which will keep several hundred missiles moving constantly around the Southwestern desert to confuse Soviet targeters about where our bombs might be coming from.

Anyhow, these snoopers suspected that my MX Pentagon program was a fiction. Such is the cynicism of the modern newspaper reader. "Your last article said you'd already built three prototype models of the fake Pentagon in this garage," the chief investigator said.

garage. One of his lieutenants said, "Chief, there isn't room in this garage in build three Pentagons."

"I don't see any Pentagons in this

"Than's right," said the chief. "In fact, this garage isn't even big ennugh to hold one Pentagon." "Of course not," I noted, "If you observe closely, you will see it

isn't even big enough to contain all of my 1969 Buick Electra." So you published fiction in the newspaper, ch?" It was easy to calm them: "Do

you really want me to notify the Russians where our fake Pentagons are huilt?"

They agreed I had a point there, and one or twn even congratulated

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me on not being "one of those freednm-of-information freaks." "Nevertheless," said the chief investigator, "you'll have to reveal - strictly in confidence, mind you where the fake Pentagons are being built, or we'll nail you for trying to hornswoggle the reader." So I confided the secret to him.

"I build them in the cellar." Nobody can build a Pentagon in the cellar," he said. "You'd never get it up the steps."
We went to the cellar.

"Just as I suspected," he said. There's no Pentagon construction

going on in here." "Of course not," I said. "Do you take me for an idiot? For all I know, you could be an agent of the KGB. One word from you, and there goes my cellar, not to men-tinn the center of fake-Pentagon construction."

He looked skeptical. These people are very good at looking skeptical, but not at much else.

I explained. "Before undertaking construction of the MX Penta-gon, I built 2,500 MX cellars, which are now located in scattered excavations all over the continent In one of these cellars, whose location is known only to me, take Pentagons are now being produced

at a prodigious pace."
"Who's paying for this MX cel-lar program?" he asked. "That's not the questinn," I ex-plained. "The question is, are you. as a patriotic American citizen, willing to pay for a program that will counter the Russians' MX

Kremlin system?'

He was astonished to hear about the MX Kremlin. "Oh yes," I con-"the Russians are building 5,000 fake Kremlins to be kept constantly on the move in order to confuse our bombers. I have the intelligence from captured docu-

Naturally he wanted to see the captured documents, "Impossible," I explained "They have been fed into my MX captured-docu-ment-shredder system, which consists of 10,000 paper shredders in constant circulation between Tal-

lahassee and Syracuse." "You're trying to put me on, aren't you?" he said. It was painful to see a man so far beyond the healthy reach of truth. New York Times Service

Ordeal in Argentina

Jacobo Timerman on Torture and Being Jewish

By Christian Williams Washington Post Servior

ASHINGTON — "The Word that I have most is 'unbelievable,' " said the man who had been tortured. He wore a well-cut, pinstriped suit, and his face, tanned the color of his expensive gold wristwatch, re-flected the irony in his voice.

"What people want in hear about first is the torture. I am tired, but I try to tell them. Unbelievable,' they say.

"But I have an idea. On the television talk shows I will agree to be tortured just as I was in Argentina. Then everyone will know what it's like.

"It would be easy, because the equipment is very simple. All you need is an electrical outlet, and a small transformer with a dial, and two wires for the electrodes.

"The first stage is pain, excru-ciating pain wherever the electrodes are applied. People would see my muscles contract, my hands drawing up in fists like this, my hack arching, and hear that particular scream. The secstage, when they turn the dial up, destroys the tissue wherever the electrodes are applied. The third stage stops the heart."
He touches his chest. "I would agree to be tortured on television

Symbol of a Problem

It is unlikely that the U.S. news organizations will take Jacobo Timerman up on his offer. Much better to remain a certain distance from Timerman the distance appropriate to the outspoken intellectual whose case has come to symbolize the Argentina problem - the problem of a nation struggling to govern itself while beset by terrorism, kidnapping, bombings, a 170-percent inflation rate and the scrutiny of its political allies.

Timerman, now 58, was until April 15, 1977, the outspoken and influential publisher and edi-tor in chief of La Opinion, a liberal daily newspaper in Buenos Aires. On that date, 20 armed men entered his 15th-floor luxury apartment and took him to pris-

at all observant"), a political on. He was jailed until Oct. 13, 1977, then was kept under bouse arrest until Sept. 24, 1979.

Twice the Argentine Supreme Court found that he was imprisoned without charge. The second time, the junta responded with a threat to dishand the court. But Timerman had become a nuisance in his incarceration as well. His citizenship was revoked, his newspaper and his possessions were confiscated and he was expelled from the country.

In ridding itself of Timerman, the Argentine government gave his story to the world. Bitter and combative, it reaches out from the pages of his book, "Prisoner Without a Name, Cell Without a Number."

'Second Biology'

The context of the story is Argentina, where since 1976 thousands of persons have "disappeared" — estimates range from 6,000 m 20,000 — and many more have been arrested and im prisoned. But it begins and ends with Timerman's Jewishness.

"To be a Jew is to have almost a second biology," he said. "You are a man — and a Jew. You are a journalist — and a Jew. The question is always of survival. Nobody can explain why anti-Semitism exists, why a people is hated. Yet we are. Before Argentina there was the Holocaust, and before the Holocaust the Inquisition. That is why I am a Zionist. We must have a homeland, and we must have guns."

In prison, "I would be taken from the torture machine into another room, and there would be a man, an intellectual, smoking a pipe, pronouncing his words correctly. A man just like you or me, who would carefully explain that he was not a tortur-

Then he would say: We know Brzezinski is a Jew. We know President Carter is a Jew, changed his name from Braunsweig. We know Brzezinski has a plan to take over Brazil and Argentina and Chile, You must tell us about the details. He is a Jew by birth ("I am not

Timerman called at one point for a coup — the traditional

with death.

ary splinter groups.

method of changing governments in Argentina — and in retribution Isabel Peron closed La Opinion for 10 days. The coup came in 1976, putting the army in power. But it was the army that arrested him.

journalist by vocation. He served his apprenticeship on the dailies

of Buenos Aires. One day, his ed-

itor told him he could have a by-

line — a great privilege, as most articles were unsigned.

"'One thing,' the editor said.
'Jacobo sounds too Jewish. Why

don't you sign your name as Ale-jandro?' But I held out, and at

the time I thought I had scored a great victory. Only now I realize that it was a great defeat that the

In the 1960s Timerman found-

ed the magazine Primera Plana. It was successful. He sold it and

used the profits to found La Opinion in 1971. His success was now conspicous. He had his fine

apartment with a view. He had a

La Opinion followed no pre-

dictable party line. Neither did

Argentina. Between 1973 and

1976 there were four Peronist

presidents and a dozen notable

political, military and revolution-

One morning Timerman

received two letters at La Opin-

ion. One was from a rightist ter-

rorist group, condemning him to death. The other was from the

Trotskyite Popular Revolution-

ary Army, also threatening him

Paper Closed

holiday home in Uruguay.

question should arise at all,"

"So much in Argentina is unique. And no one knows about it. The murders, the disappearances, the tortures. Just to ask the names of the missing persons was extremely dangerous, and yet how could a newspaper not ask? This is why I did not go into

"My wife would say, 'I will run the paper, you escape.' I would say, 'No — I will run the paper, you escape.' But how could we

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Jacobo Timerman

when there was a Committee of Mothers of Missing Children asking our help? Do you know that in Argentina there is also a Committee of Grandparents of Missing Grandchildren? Where else in the world would you find a Committee of Mothers of Missing Journalists?

Although the junta confiscated all his property and shut down La Opinion (which he valued at well over \$5 million), they could not touch his summer home m Uruguay. He sold it, and that money established him in Tel Aviv, where he lives now. His wife is there, and two of his sons. The third son is in New York, studying foreign affairs. Timerman has written another book, about Israel, and does a column

twice weekly. He scoffs at the notion that he survived intact and with power.

"The great cost has been to my peace of mind. I try to come back now to the things that were most important in me, and I cannot. It is very frightening. I have lost the ability to read the great poets, Sophocles, or T.S. Eiot, or Delmore Schwartz, that were so important to me."

Timerman believes that Argentina must improve, that the worst times are over there, and that many of the 1 million exiles will eventually be able to return. Perhaps he will, too?

"No," he said sharply. "I will never return. I cannot, You see, I was not treated there as a political enemy, I was not hated for my politics. I was hated because was a Jew, and I can never return to that. I will stay in Israel. I am no longer ashamed to love my Jewishness."

Jeff MacNelly Gives Up PEOPLE: Jeff MacNetty Gives Op Political Cartooning Pen

One of the United States' fore-most editorial page cartoonists. Jeff MacNelly, is giving up political cartoning to concentrate on his comic strip, "Shoe," MacNelly has been with The Richmond (Va.) News-Leader since he began his career as an editorial cartoonist in 1970. "Shoe," whose characters are hirds, is syndicated to 550 newspapers. MacNelly's political carteons were syndicated to 450 papers.
MacNelly, 34, has won many
awards, including Pulitzer Prizes in
1971 and 1977. "I am devoting more time in the birdhrains of my comic strip," he said. "I would like to devote less time to the hirdhrains on the national and international stages, thereby making room for new projects and new ideas."

Ali Ahamed Anwar of Singapore walked off with the first prize of \$6,000 in the Asian amateur singing contest in Hong Kong. Anwar, 30, a businessman, belted out "One-in-a-Million You" to best 11 other contestants. Japan's Mariko Hiraga 24, won the gold prize and the two silver awards went to Park Sun-ja of South Korea and Marie Conion of Sydney.

* * *

U.S. space shuttle astronauts John W. Young and Capt. Robert L. Crippen received the keys to the city of New York from Mayor Edward L Koch, and gave him and the city a small American flag and a flight patch that they carried during the shuttle Columbia's 54/2hour mission in April. When they were asked how they would compare the Times Square subway shuttle, to the Columbia, Young, in the sound of laughter, replied "We've never ridden that shuttle, so we can't make a comparison." "It's a shorter ride," Koch inter-jected, "Which one?" asked a voice in the crowd.

Bishop Desmond Tutu, the general secretary of the South African Council of Churches, has been denied a passport --- apparently as a result of his prominent opposition apartheid - to receive a \$100,000 Onassis Award in recognition of his "unflinching courage in expressing the demand for an equal and peaceful coexistence beween whites and hlacks in South Africa." The annual award was begun five years ago with a half-billion-dollar bequest from the late Aristotle Onassis. Tutu had been scheduled to receive the prize Friday in Athens.

Sir Rannish Twistleton-Wyken, ham Figures and the Transglobe Expedition have cast off for the North Pole in the second half of the first polar circumnavigation of the world. The ship Benjamin Bowring left Los Angeles harbor with Sir Ranulph, 36, his wife, Lady Virginia Flennes, and Charles Burton, 39, who will accompany Figures in a snowmobile crossing of the North Pole next spring. The explorers left Britain in September, 1979, to follow a course around the world roughly following the Greenwich Meridian and international date line, and crossed Antarctica late last year.

The attorney and business manager for Rita Hayworth says the 62-year-old actress has Altsheimer's disease, or pre-senile dementia, and should be placed under conservatorship. Attorney Leonard H. Monroe filed a Superior Court petition in Los Angeles seeking to take control over Hayworth's per-sonal property, valued at more than \$250,000, and her medical and personal care. A hearing was set for June 17. The petition said Hayworth does not oppose Monroe's appointment.

Princess Marie Christine of Bel-gium and her new husband. Paul Drake, the co-owner and pianist of Drake's piano har in Toronto, say they will fly to Belgium to explain their sudden marriage to the prin-cess' unhappy family, including her half brother, King Baudoin. The princess, who works in Toronto, said she was sure the royal family would "come around" once they met Drake. The couple had planned to wed in Toronto this September, but decided to hold an impromptu, unannounced wedding last week in Florida because they feared her relatives' opposition might prevent more formal arrangements. * * *

The Secret Service agent who stepped in front of President Reagan and took a bullet fired by a would-be assassin says the service did "the best job we could" in protecting Reagan. "There are a number of investigations still going on," noted Timothy McCar-thy. "But it's hard to say if we would have done anything different." McCarthy, 31, was in Boston to be made a member of The Char-itable Irish Society of Boston and to receive a resolution from the House of Representatives declaring him a "genuine hero."

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